EAST-WEST RELATIONS

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*Henry Owen* and *Edward C. Meyer*

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*Robert E. Hunter*

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*Foreign Affairs* is published five times annually
by the Council on Foreign Relations, Inc.
Vol. 68, No. 3 © 1989



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*Foreign Affairs* is published five times annually by the Council on Foreign Relations, Inc. Editorial Offices: 58 East 68th Street, New York, NY 10021.

*Manuscript submissions:* The Editors will consider all manuscripts received, but assume no responsibility regarding them. Materials will be returned only when accompanied by appropriate postage.

*Subscriptions:* Price for U.S. subscriptions, $32.00 per year; foreign, $39.00. Rates for air speed delivery are available upon request. To subscribe, write *Foreign Affairs*, P.O. Box 53678, Boulder, CO 80322-3678. To resolve subscription problems, call (800) 525-0643. Replacement copies are available to subscribers at no charge until the next issue is published. Thereafter, back issues are $9.00 each.

*Advertising:* For rates and schedules, contact the Advertising Office, (212) 734-0400. *Foreign Affairs* is represented by The Leadership Network, Robert F. Sennott, Jr., President, (212) 684-5500. *Foreign Affairs* is a member of the Audit Bureau of Circulations.

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*Valéry Giscard d'Estaing*
*Yasuhiro Nakasone*
*Henry A. Kissinger*

# EAST-WEST RELATIONS

East-West relations have entered a new phase. Changes in the Soviet Union's domestic and foreign policies have already affected the climate of East-West relations and, in some areas, its substance. Mikhail Gorbachev's new policies suggest new approaches to the future of the Soviet Union's domestic system, its foreign policies, and East-West relations. It would be a mistake, however, to analyze these developments or to devise Western policies in terms of a single personality; to be lasting they must take into account the fundamental necessities facing the Soviet Union and the opportunities before the democracies.

We have prepared this report in the belief that our countries face a challenge that will shape the future of international relations for several decades. So far, our countries have not reached a consensus on the significance of this challenge, on the degree to which it reflects a lasting change in Soviet policies, or even on our own attitudes in relation to it.

Some believe that, until much more has changed in the Soviet Union, the industrial democracies should wait prudently on the sidelines or continue the same general policies they have pursued since World War II. Others argue that the Soviet threat has changed so completely that the existing defense and political arrangements can be dramatically altered.

Based on our collective experience of dealing with the Communist world, discussions with present Soviet leaders including Mr. Gorbachev, and studies by experts in the West, we believe that our countries have a rare opportunity to change the nature of East-West relations in ways beneficial to the West, provided

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Valéry Giscard d'Estaing is a Member of the National Assembly and Chairman of the Foreign Affairs Committee, and is a former President of the French Republic. Yasuhiro Nakasone is a Member of the Diet and a former Prime Minister of Japan. Henry A. Kissinger is a former U.S. Secretary of State. This article is adapted from a report to The Trilateral Commission, to be published as Triangle Paper No. 36. Copyright © 1989 by The Trilateral Commission.

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they develop a clear agenda and strategy. On the other hand, passivity or—worse—a posture of delayed and uncoordinated reaction to Soviet initiatives would enable the Kremlin to define the East-West agenda and serve primarily Soviet interests.

Few would contest that our countries have a profound stake in developments inside the Soviet Union. For more than four decades, protecting our national security and the freedom of other peoples from Soviet expansionism has placed a tremendous burden on our countries and occasionally on our relationships with each other. During this period we have had to live with the threat of devastating conflict. We take pride in the fact that defenses have been maintained and military conflict deterred.

We do not expect to reduce these burdens substantially overnight. Mr. Gorbachev cannot wish away the fundamental differences in systems, outlooks and interests that have separated the Soviet bloc from the non-Communist world. Nor should our leaders expect this. Change will come slowly and ambivalently. In the meantime, our countries will have to remain strong and vigilant. A successful transformation to a more peaceful East-West relationship is not guaranteed. New foundations for East-West relations, if they are to be solid, must be built arduously—brick by brick.

## SOVIET TRENDS

Our assessment of the Soviet Union is based on two premises. First, the pressures for change in Soviet domestic and foreign policies reflect a crisis of the Communist system and not simply the personal preferences of a particular Soviet leader; second, the relaxation of East-West tensions in the late 1980s is qualitatively different from earlier periods of détente.

In Mikhail Gorbachev the Soviet Union has found an exceptional leader, quite unlike any of his predecessors. In his personal style and flair, Mr. Gorbachev has embraced reform more quickly and comprehensively than another leader might have done. We are persuaded, however, that it is the objective necessities confronting the Soviet Union which establish both the need for change as well as its direction. Were Mr. Gorbachev to leave the scene, these realities would probably sustain his general course and direction, albeit at a slower pace and with a less ebullient style.

For any Soviet leader would have had to try to revitalize the economy and overcome the persistent social malaise. Similarly,

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the deployment—contrary to Soviet expectations—of U.S. intermediate nuclear forces in Western Europe in response to the Soviet military build-up, the extended crisis in Poland, the long dispute with China, the chilly relationship with Japan, and the failure of the Soviet military intervention in Afghanistan, have combined to impose a reappraisal of Soviet foreign policy.

Our countries need to define a strategy based on a correct assessment of the necessities propelling the Soviet Union toward sweeping domestic reform and reduced confrontation with the West. We believe that these changes are likely to occur more quickly under Mr. Gorbachev's continued leadership than they would were his known political rivals in charge.

At the same time, quite different equilibria between economic and political reforms could occur. Conceivably, accelerated efforts to meet popular aspirations for improvement in the standard of living could be balanced by a reinforcement of central political authority, on the Chinese pattern.

The new Soviet diplomacy has an unprecedented sweep. It addresses not only the standard military issues, but political and regional concerns. In addition to arms control issues, the Soviets have sought accommodations in some regional conflicts, notably Afghanistan. The combination, if implemented, amounts to a new concept of security. The West can do no less than develop its own coherent policy and security agenda.

Mr. Gorbachev has stated in public, and has reaffirmed to us, his belief that if it is to carry out its domestic reform program, the Soviet Union needs to improve its relations with the outside world. The high priority given to domestic reform in the Soviet agenda is, in fact, of greater significance for our countries than whether or not these reforms actually succeed. For the priority of domestic reform, if nothing else, deflects energies from the traditional cold war agenda.

The importance of the reform program derives in part from the crisis of confidence that is so evident in the Soviet Union today. Past Soviet leaders had little doubt about the ultimate superiority of the socialist economic system; despite the large gap between Soviet and Western living standards, they believed that it was only a matter of time before Communism caught up to and surpassed the advanced capitalist countries. The collapse of this hope—reinforced by the daily comparisons afforded by instantaneous global communications—rendered unavoidable the change of course introduced by Mr. Gorbachev. Even two years ago, when perestroika (restructuring)

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was just starting, there was great expectation that the economy would quickly respond to the reforms envisaged by Mr. Gorbachev. As it turned out, the difficulties of implementing the reform program, its complexity, and the long gap between reforms and concrete results were greatly underestimated.

The Soviet Union we saw in January of this year was much more somber. The optimism of past years has vanished; we found a new, more realistic awareness of the enormous difficulties the Soviets face merely to achieve growth, much less to begin to close the gap with the capitalist democracies. This backdrop of pervasive pessimism impels Mr. Gorbachev to reinvigorate the Soviet economy by accelerating restructuring. This dilemma, rather than some abstract pacifist philosophy, is driving the Soviet leader to reduce tensions in international relations. He has every incentive to reduce the share of military spending in Soviet GNP and to seek beneficial economic relationships, including foreign investment, with the nonsocialist countries.

*Domestic Reforms.*

After four years in power, Mr. Gorbachev's economic program has in our view created a great deal of turmoil without achieving much in substance. Even relatively minor reforms have evoked a backlash; for instance, the freedom to form cooperatives has been opposed by conservatives and significant parts of public opinion on the ground that they foster unjustifiable inequality and excessive privilege. And the offer of long-term agricultural leases to private farmers has not generated an adequate number of candidates willing to accept the offer, because of a preference of many for the safer, more familiar and less demanding position of a salaried employee on a collective farm or simply because of the fear that this policy could be reversed. And the more fundamental and wrenching reforms of price structure and convertibility of the ruble have not even been attempted. Although Mr. Gorbachev overcame a conservative reaction last year, many of the reforms are still opposed by large segments of the Soviet administration, and at the top the struggle over the direction of future Soviet policies continues.

In the meantime, the nationalities problem has become acute, notably in the Baltic states, in Armenia and in Georgia.

Thus, the Soviet leader faces several dilemmas. Economic reforms require decentralization of power. Yet, at the beginning, decentralization creates new confusion and reduces the

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leadership's ability to control the direction of change. More crucially, decentralization challenges the very legitimacy of the Soviet style of socialism based on highly centralized authority. Glasnost is intended to win popular support for the reforms, but at the same time provides the intelligentsia with an opportunity to criticize the slow pace of perestroika and to dispute specific aspects of the reform program. Thus, perestroika is under attack from conservatives, for whom it goes too far, and from intellectuals, for whom it does not go far enough.

The recent elections in the Soviet Union illustrate this ambivalence. The results were helpful to Gorbachev by weakening a number of conservative opponents to his reforms. At the same time, they demonstrated a restiveness with the slow pace of economic progress that weakens the Communist Party and turns the demands for accelerated economic improvement into the dominant feature of Soviet political life. Dissatisfaction with perestroika is therefore likely to take the form of demands for more dramatic economic changes rather than for a return to traditional Communist patterns.

Finally, the reforms can only show results for the average Soviet citizen in the long term, while entrenched interests are hurt immediately by necessary adjustments. As in China, price reform is a prerequisite for the success of the reform program but, in the near term, is politically explosive. The mounting threat of inflation will add supplementary arguments to postpone the reforms.

These dilemmas make the implementation of Gorbachev's reform program difficult and risky. At the same time, the Soviet Union's stake in it is enormous since it is fundamentally an effort to sustain superpower status into the 21st century and to achieve a level of economic development at least not too distant from those of the United States, the European Community and Japan. It is now obvious that the road to success will be long and very difficult. The absolute prerequisite is a radical transformation of the Soviet system that will bring the U.S.S.R. closer to Western concepts of market economics and democratic institutions. *That is the definition of perestroika which the present authors support.*

*Foreign Policy.*

The domestic reform program generates the "new thinking" in Soviet foreign policy in two important if somewhat contradictory ways.

—On the one hand, in conversation with us and in his public

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speeches, Mr. Gorbachev explicitly links the need for "predictability" in foreign relations to the Soviet Union's need to concentrate on the domestic agenda: "Our foreign policy is today, to a greater extent than ever before, determined by domestic policy, by our interest in concentrating our efforts on constructive activities aimed at improving our country. And that is why we need a lasting peace, predictability and constructive new international relations."

—On the other hand, because Mr. Gorbachev's domestic freedom of maneuver is limited and highly susceptible to failure, he tends increasingly to look for successes in foreign policy as compensation. This tempts him to weaken, if not break, the links between the United States and its allies in Western Europe and Asia, and in general to push the United States back to the western hemisphere. This strategy must be resisted by the democratic countries.

In pursuit of the first strand of this policy—that of genuine accommodation—Mr. Gorbachev's new approach has challenged some of the fundamental precepts of traditional Soviet and even of imperial Russian foreign policy. He has stated that Soviet security cannot be achieved at the price of the insecurity of other countries. The value of a massive build-up of strategic weapons as a political strategy has been challenged in debates within the Soviet Union. The traditional reliance on a huge number of troops and massive conventional superiority is being questioned even in senior military circles. This change of attitude is evident in the Soviet withdrawal from Afghanistan and the pressure placed on Vietnam to withdraw its forces from Cambodia. It is unprecedented that the Soviet Union should have accepted the risk of the collapse of a Communist government in Afghanistan.

The decision to reduce Soviet troop strength by 500,000, which Gorbachev announced before the U.N. General Assembly in December 1988, is probably designed to reduce the enormous budget deficit and above all to modernize the swollen Soviet armed forces. Nevertheless, it should be welcomed as a first step towards reciprocal and equitable reduction of conventional forces.

In pursuit of the second strand of Soviet policy, there are still major areas where Soviet policies are challenging the United States and its allies. For example, in our discussions with Soviet leaders, it was clear that the Soviet Union is not

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yet willing to implement in Eastern Europe the principle of nonintervention that Mr. Gorbachev proclaimed before the United Nations and that of equal relationships which he seems to be practicing with respect to China. The Soviet Union has also proved unwilling to recognize Japan's claim to the "Northern Territories" occupied by the U.S.S.R. It continues to support regimes hostile to the United States in the western hemisphere.

The U.S.S.R. will remain a major military power in Eurasia. So long as its relative military advantages persist, the threat of force will remain a significant factor in international relations. The democracies have a common interest in resisting the strategy of pushing the United States back to the western hemisphere. For were it to prove successful, the Soviet Union could then use its central geographic position to weaken and divide its neighbors one by one. Certain aspects of current Soviet policy, especially in Europe, are consistent with this long-term objective.

Thus, the democracies must learn to deal with Gorbachev's style, which is to flood the Western decision-making process with a rapid series of unilateral moves, some of them involving genuine concessions, others relying largely on psychological warfare. If real progress is to be made, Western policy must winnow the real concessions from the propagandistic overtures, and respond on two levels: to the substance and to the public relations aspect. We must develop our own initiatives and policies and put forth our own ideas that reflect what our countries understand by a peaceful world and that reflect the aspirations of our people for progress and democracy.

## THE TRILATERAL AGENDA

*The Strategic Relationship.*

A new strategic dialogue between East and West is taking shape. It has been given impetus by the signing of the INF treaty, the convocation of negotiations on conventional weapons and forces in Vienna, and the progress made between the United States and the Soviet Union in the negotiations on the reduction of strategic weapons.

A common theme in this new dialogue is the desirability of achieving substantial reductions in some categories of weapons and forces. Mr. Gorbachev has adopted this theme; it was his ostensible rationale for agreeing to the zero option in the INF talks. He has also proposed the elimination of short-range

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nuclear weapons in Europe; at Vienna his delegation has proposed a three-stage reduction of conventional forces and major weapons systems to levels well below NATO's current posture; and he has announced a unilateral reduction of 500,000 in armed forces, including the withdrawal of tanks and tank divisions from Eastern Europe as well as the reduction of forces in East Asia.

We also note that various Soviet spokesmen, echoing Gorbachev, speak of adopting "defensive" defense and the criterion of "reasonable sufficiency" to measure their forces—suggesting the possibility of a major shift in Soviet military doctrine. All of this remains to be tested in negotiations and in the actual disposition of forces as well as military practice rather than by wishful thinking.

Such initiatives strike a responsive chord in Western public opinion and contribute to pressures to reduce defense expenditures. They generate a debate about which categories should be given priority in reductions—tactical nuclear or conventional—and how far the West can go in reducing its nuclear forces without weakening its defense and deterrent capacity. In the background there is the older debate about the role of arms control in safeguarding security, and the linkage between arms control and geopolitical issues. There is in addition an unfortunate tendency to treat defense and arms control as alternatives rather than as complementary issues.

Our analysis of the strategic situation is based on three premises:

(1) The pressure for reductions in the Soviet Union reflects in part economic necessity, that is to say, the impossibility of meeting the economic goals of perestroika under conditions of an arms race. This is all the more true because until now the democracies have proved resilient enough to maintain a rough military balance at whatever level was required.

(2) In part Soviet moves may reflect a strategic design: the Soviet leaders may believe that the central geographic location of the Soviet Union and its superiority in conventional forces and mobilizable reserves confer on it an inherent advantage in any program of arms reductions.

(3) Nevertheless, the democracies should welcome making arms reduction a central theme of the East-West dialogue provided they keep in mind that reductions are not an end in themselves. What made the start of reductions possible was the willingness of the democracies to maintain an adequate deter-

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rent posture. What will sustain the process of reductions is the willingness to ensure that at every level of reductions, deterrence is maintained and preferably strengthened. Such a concept of "deterrent disarmament" must meet two strict criteria: first—to restate the basic concept—Western deterrence must be maintained with no less credibility or capacity than before each stage of reductions; and second, the capability for a conventional defense must not be weakened, and preferably should be strengthened, as a result of force reductions on both sides.

In order to apply these criteria, the new balance of forces must be carefully assessed before and during every stage of the arms control process. Such a concept of security, reconciling reductions, deterrence and defense for each foreseeable level of reductions, has yet to be defined. It is one of the most urgent tasks before our governments and must be geared to the political, economic and military circumstances likely to prevail in the 1990s. The political evolution of Europe, to be discussed later, must be a central feature of such a concept.

In developing a new concept of security, some of the following issues will have to be addressed:

—The terms of a strategic arms agreement must produce a more stable strategic relationship than would be the case in the absence of agreement. Any reduction of strategic arms must be accompanied by efforts to generate public and congressional and parliamentary support for programs that might be required for survivability, such as mobile missiles or more submarines.

—Conventional arms control is now broadly accepted in the West. Yet current conventional imbalances and underlying geographic realities are highly favorable to the Soviet Union. These imbalances, moreover, have become far more critical in the wake of the removal of important nuclear forces under the INF agreement. It is essential for the democracies to determine what reduced level of conventional NATO forces is compatible with a conventional defense no less effective than at the present. All governments have an obligation to ensure that their defense efforts not fall below such a minimum level in the course of reductions—a difficult challenge in conditions where Soviet proposals will be at least partially designed to reduce Western forces beyond an acceptable military minimum.

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—The relationship between further nuclear arms reductions and conventional arms control must be carefully evaluated. Gorbachev has singled out nuclear weapons and is pressing in effect for denuclearization—or at least for the denuclearization of central Europe—an idea that appeals to some segments of Western public opinion. Yet it is in our view incompatible with deterrence. Moreover, another START agreement could be reached well before any conventional arms agreement can be completed. It is our view, however, that the final stages of its implementation should await completion of a conventional arms control agreement.

—The political impact of conventional force reductions in Europe—both Eastern and Western—will be profound. It must be related to the process of West European unification, the various ideas of a "Common European House" currently in vogue in Europe, and the role of the United States in such a design.

—A concept of "deterrent disarmament" must finally seek to resolve the debate over strategic defense. Since President Reagan's original announcement of SDI, the focus of criticism has been on the broad goal of an invulnerable defense which, if at all achievable, is decades away. But there has been no thoughtful examination—in the United States or in the Alliance—of intermediate options, for example, to defend American ballistic missile sites, or Allied populations against small scale attacks. It would be a fateful decision to forgo defense altogether and leave populations open to any level of nuclear attacks.

In sum, the strategic and security relationship between East and West needs to be redefined. Arms control, whether regional or strategic, remains extremely important. But it must be related to the goals of larger security and foreign policy. It must be pursued in a manner that increases the opportunities for political accommodations, and in this regard, as discussed in the next sections, the role of Europe will become exceedingly important. Thus, we favor a policy of parallelism in which reductions are closely linked to a concept of a strong defense at every level and of the opportunities to make progress on political issues.

*Regional Conflicts.*

Until recently, there has been an absence of a sense of urgency in resolving regional conflicts or in linking them closely

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with other aspects of East-West relations. Yet history shows that tensions arise more frequently as a result of political conflict than due to weapons deployments. Moreover, prolonged conflict or tensions in such areas—Korea, Indochina, the Middle East and Central America—represent a human tragedy of immense proportions. The settlements in Afghanistan and Angola and the progress made in Cambodia are hopeful developments.

The inevitable transformations in the global balance are not likely to occur without crises. And U.S.-Soviet relations will be central to maintaining the peace. These looming transformations should receive systematic attention, for in the long run they will have even more far-reaching implications than arms control or trade.

One such challenge (discussed in the next section) concerns the emerging new relationship between Eastern and Western Europe. Conventional arms control negotiations will inevitably reopen the question of the political future of Eastern Europe, and so will the process of reform in the Soviet Union. So far, the Soviet Union has tied its military security to regimes in Eastern Europe whose instabilities create their own momentum. This represents a long-term danger even for the Soviet Union. We will deal in the section on East-West relations in Europe with our views on how to transform political relationships in Europe.

We cannot expect to eliminate all local conflicts, but our countries should seek to encourage peaceful change. At the same time, one of the important tests of a new East-West relationship is whether the Soviet Union is willing to forgo the temptations of exploiting local conflicts.

*The Future of Europe.*

It has long been recognized in the West, and by many in Eastern Europe too, that the relationship with Moscow imposed on these countries after World War II was artificial and, in the long run, unsustainable. Communism could not satisfy the material needs of Eastern Europe, still less its cultural and political aspirations. Post-World War II history is replete with efforts by East European countries to change this unnatural relationship by revolution or by more subtle means designed to avoid a Soviet counteraction.

Gorbachev's perestroika constitutes an admission that the Soviet communist economic system has not worked for the Soviet Union, hence even less for Eastern Europe; glasnost

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implies that this fact can and must be openly admitted. The economic inefficiency and challenge to the legitimacy of the ruling Communist parties are more starkly evident than ever. This underlying reality is the cause of growing ferment.

Our countries face a dilemma in their policies toward Eastern Europe. We are committed to see progress toward enabling the peoples of Eastern Europe to determine their own future. But we do not wish to provide a pretext for new Soviet intervention that would set back the evolution toward liberty in Eastern Europe and strengthen more conservative forces in the Soviet Union. Clearly, we should continue to stress the differences between democracy in the West and the way political systems actually function in the East. We should give support to any movement toward market economies and democratic institutions. We should continue a strong effort to break down the barriers to the freer flow of people and ideas across the center of Europe. And we must insist on the removal of the so-called Brezhnev Doctrine which has been used to justify Soviet military intervention in Eastern Europe.

Mr. Gorbachev's phrase "a Common European House" ignores the fundamental differences between Western Europe, Eastern Europe and the Soviet Union. On one level, we can recognize in this phrase the desire for a more open and peaceful pattern of relationships, a framework provided for in the Helsinki Final Act and other CSCE documents. In that sense, there is scope for collaboration in some practical areas. Environmental problems, including nuclear safety, and improvements in communications and transport are examples deserving of high priority.

On another level, the concept of a "European House" can be interpreted as an effort to dissociate the United States from Europe. We categorically reject any such policy.

Our European policy should, therefore, distinguish among three separate European realities:

(1) Western Europe, composed of the 12 EC countries increasingly integrated into a single European Community with its own system of external relations, together with the EFTA countries.

(2) The Soviet Union, extending far into Asia and therefore not a fully European country.

(3) The countries of central and Eastern Europe have a special character. They are members of the Warsaw Pact and as such participants in conventional arms control negotiations

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between East and West. At the same time, they have historically been part of Europe and they have a growing wish to participate in certain aspects at least of European unification, as well as to achieve greater control over their national political destinies.

For these countries, it is therefore important to *devise a category of association with the European Community based on Article 238 of the Treaty of Rome.* The kind of association should be regarded as a new type of relationship adapted to the special circumstances of the countries concerned. This relationship will not include, for the foreseeable future, any political or security dimension. But such an agreement should be accompanied by a full commitment to implement all the obligations of the Helsinki accord and subsequent agreements regarding human rights together with effective provisions for monitoring them.

We suggest that the European Council (the heads of state and government of the European Community) should announce its intention to embark on an examination of the modalities of such an arrangement. This should not be linked specifically with the case of any single East European country, but should provide the framework for the kind of association which could ultimately be negotiated in detail with those countries which manifest their interest and meet the necessary conditions.

As to the relationship of Eastern Europe with the U.S.S.R., the key question is whether the U.S.S.R. is prepared to undertake a reappraisal of its security interests in Eastern Europe. We note Gorbachev's statement that "security can no longer be assured by military means." We should seek new patterns in Eastern and central Europe that would allow a political and economic evolution reflecting popular aspirations. Our countries should state clearly that they have no intention to challenge legitimate Soviet security interests. But we do not accept that these security interests include the right of military intervention in Eastern Europe or of imposing regimes rejected by the populations.

*East-West Economic Relations.*

We have stated in an earlier section that we welcome perestroika to the degree that it brings the Soviet Union closer to market economics and to democratic institutions. Such an evolution would almost automatically make the Soviet Union an increasingly integral part of the world economy. Undoubt-

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edly, this is what Gorbachev had in mind when he stated his intention that the Soviet Union should become a "normal" participant in international economic relations, with the ruble becoming convertible. We support this objective but wish to raise a number of questions with respect to it.

The first concerns the attitude of our countries toward normalized economic relations in such areas as trade, investments, nonmilitary-related technological transfers, commercial loans and trade credits.

It is in the common interest of the Western countries to avoid periodic massive injections of credit into the Soviet Union: for the Soviet Union it would mean a situation of lasting indebtedness; for the industrialized democracies it would amount to open-ended support for an unbalanced economy—without the necessary fundamental reforms in prices, freer enterprises and convertibility of the ruble—and a potentially irresponsible conduct of affairs. Thus, we advise against embarking on a global financing of the Soviet Union. But, in an environment of reduced international tensions, we do envisage supporting specific economic and social changes and reforms. If the Soviet Union reduces its military expenditures significantly and behaves responsibly in regional conflicts, we propose that our countries support activities that would promote economic change tending towards market economics and democratic institutions.

Specifically:

—The spread of joint ventures for the purpose of producing consumer goods should be encouraged. Western capital thus invested could be given the same degree of guarantee used for sales of capital goods. Such cover could be provided in part by a specialized institution to be created within the European Community or in the OECD.

—Financial support could be given to new institutions set up in the Soviet Union to provide finance or training for small business, new service industries and the private sector of agriculture.

—We favor that the Soviet Union be offered observer status in international institutions, such as GATT and the IMF. This may make it easier for the Soviet Union to adapt its own rules to normal international practice. For the same reasons, our countries ought to be ready to facilitate any decision by the U.S.S.R. to bring the ruble closer to its market value, and to support initiatives toward converti-

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bility. However, full membership by the Soviet Union in international economic institutions cannot be considered until it is clear that the Soviet Union is ready to accept the obligations of being a member, and that its economic system has been sufficiently altered to assure reciprocal benefits for its economic partners.

Sales of militarily sensitive goods or technology should be treated as an aspect of strategic rather than economic relationships. So long as the Soviet Union represents a potential threat, it is important to maintain controls on the sales of strategic items to the Soviet Union or its allies. To be effective, any such system must include all the key industrial democracies. This makes unavoidable mutual concessions and compromises within the framework of the basic principle.

To operate effectively, COCOM must enjoy the support of our governments and the understanding of our business communities. The rationale for the system and for restricting certain items must be convincing. In an era of improving East-West relations, closer consultation among our nations on strategic controls is essential both to ensure their solidarity and to develop an effective strategy for liberalizing these controls should a reduction of the threat to the West permit it.

*The Soviet Union in Asia.*

There are basic differences between the geopolitical situation of Europe and that of Asia. There is a common cultural tradition in Europe which, with many variations, stretches from the Mediterranean through the Soviet Union. Asia is not only much more culturally diverse, but the Soviet Union is hardly a part of any Asian cultural tradition. There have been stable and coherent strategic alliances in Europe, with the Warsaw Pact on one side, NATO on the other. The European countries outside these pacts have confirmed policies of neutrality and are not a target of opportunity for either side. Asia is a region of bilateral alliances (even the Manila treaty is more bilateral than collective in character) and shifting alignments.

There are many lines of actual or potential conflict outside of the main East-West framework, including mutual suspicions and conflicting relationships among the socialist countries of the region. The coherence of Europe is reflected in the Helsinki accords, in which countries of both West and East reached agreement on principles of relations and "confidence-building measures" in order to reduce tensions. Mr. Gorbachev has

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proposed a Helsinki-type treaty for Asia, but in this more diverse environment, the basis for confidence-building measures has yet to be laid. Unlike Europe, many diverse post-World War II issues remain, including the division of the Korean peninsula and the question of Japan's "Northern Territories."

Gorbachev's Soviet Union has made intense efforts to be accepted as part of the Asia-Pacific region. Nevertheless, despite its enormous Asian territories, the U.S.S.R. is commonly viewed as an outsider. Gorbachev's own emphasis on the theme of a "Common European House" appears to Asians to reflect Moscow's orientation toward Europe rather than Asia.

Most of the Soviet Pacific maritime areas are closed to travel and trade. The Soviets most Asians come into contact with are usually European. The Soviet Union looms large in only one dimension—as a military power.

We urge that the reduction of the Soviet military presence in Europe be accompanied by comparable reductions in Asia, including the maritime provinces facing Japan. We hope that the Soviet Union will work constructively to defuse further tensions in the Korean peninsula, Indochina and South Asia. We also urge a favorable resolution of the territorial dispute between the Soviet Union and Japan involving Soviet occupation of Japan's four northern islands. Our countries need to strengthen their relationships with the People's Republic of China and with India, which will be increasingly important regional actors.

Finally, there is the longer-term question of the relationship between the Soviet Union and the emerging Asia-Pacific community. There should be no obstacle to the Soviet Union eventually becoming a good partner in an Asia-Pacific community if Soviet military forces in the region are reduced, pending issues are resolved one by one, and the Soviet Union removes the barriers that now prevent its Asian territories from truly cooperating with their neighbors.

*The Protection of Human Rights.*

Our countries have a deep concern, rooted in our basic values, for the personal freedom of all people, including those of the Soviet Union and Eastern European countries. We should promote the importance of family ties across frontiers as well as exchanges, from professional groups and scientists to athletes and artists. The Helsinki accords guarantee respect for

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basic human rights and the free flow of people, ideas and information. The CSCE process has now developed criteria to judge progress as well as a monitoring mechanism. In the Soviet Union itself, Mr. Gorbachev has introduced some reforms and announced others. To be ultimately significant, these must be anchored in national legislation and binding international agreements and protected by adequate and independent judicial mechanisms. We insist that there is a link between moderation in foreign policy and democratic liberty at home.

## SUMMARY

An effective Western strategy must rest on two principles: our countries must work together and they must develop a positive agenda.

Gorbachev is a vigorous leader who has proven adept in seizing the initiative and in gaining the attention of the media. Western leaders should not find themselves on the defensive because of Gorbachev's flair for surprises and unconventional initiatives. This is all the more true because our democratic political systems and alliances require genuine consultations and consensus building.

Relations with the Soviet Union and its allies will remain a mixture of confrontation and cooperation, containment and dialogue. Thus, we need a positive and clear agenda that reflects our concept of the future of East-West relations and will also serve as a standard against which we can evaluate both Soviet initiatives and Soviet performance.

—The competitive relationship between East and West will not disappear, though it may diminish in importance relative to other trends in international relations. Four years of attempted reform in the U.S.S.R. have opened new avenues for dialogue and cooperation, but they do not yet allow us to say that East-West relations are on a totally new footing. An overall reconciliation of conflicting interest is still a long-term, not an immediate, objective. But we can build the basis of long-term reconciliation by solving some of the concrete problems covered in this report.

—Some of these issues have a regional character. From that point of view, the forthcoming NATO summit is of great importance in defining Western security and arms control policy. There are, in addition, underlying issues of a global character which should engage the Pacific allies as well as

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the nations bordering the Atlantic. The 1983 Williamsburg economic summit of the industrial democracies provides an example of effective consultation and common action by the industrial democracies. The forthcoming economic summit in Paris provides another important opportunity for a full airing of views on East-West relations, including common security interests, among the leaders of the major industrial democracies.

—Changes in the Soviet domestic order are primarily the concern of the Soviet people, but positive reforms should be encouraged, as long as they move the Soviet Union closer to Western practices of market economics and democratic institutions. Such changes, however, cannot be the principal objective of Western policy, which must be based on Soviet performance in international relations.

—Our countries must continue to manage the East-West relationship with no less firmness and prudence than in the past, but in a way that takes full account of the changes in both atmosphere and substance. In other words, we should be prepared to cooperate with the Soviet Union selectively in the context of the Soviet Union's adopting a more conciliatory foreign policy as well as more liberalized democratic measures, but not unconditionally.

To formulate a common strategy toward the Soviet Union requires criteria by which the West can test its effectiveness and gauge the pace of progress. Important checkpoints would be:

(1) Progress in the East-West security dialogue, both military and political:

—The arms control process should be related more systematically to a concept of negotiations covering the political as well as the military aspects of security.

—Both East and West seem prepared to engage in the progressive reductions of military expenditures and forces. At every level, these reductions must meet the test of continued effectiveness of the Western capability to prevent aggression and discourage military adventures.

—Therefore, while the United States and the NATO member states should vigorously press the Soviet Union to reduce its conventional forces deployed in the European theater beyond the unilateral cuts already announced, the objective should be to reach a point where there would be a minimal danger of a surprise attack, and little potential

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for a massive and rapid build-up from reserves in European Russia.

—The West must carefully examine the linkage between further nuclear arms control and conventional arms reductions, especially in Europe. The two ought to proceed in some general relationship.

—Soviet redeployment in Europe, however, cannot be shifted to Asia; and the process of force reductions by the Soviet Union should apply to Asia as well as to Europe. We urge a favorable resolution of the territorial dispute between the Soviet Union and Japan involving Soviet occupation of Japan's four northern islands.

(2) Events in Afghanistan, Angola and Cambodia are encouraging signs of a new appreciation of the limits of Soviet capabilities; but Moscow will need to demonstrate that this is more than tactical expediency. What is needed is the renunciation, by Moscow, in principle and as a matter of consistent practice, of any exploitation of regional crises.

(3) The political future of the countries of Eastern Europe now part of the Warsaw Pact must receive special attention. Their relationship to legitimate Soviet security interests will be dealt with in the ongoing arms control negotiations. On the other hand, Europe would return to a more natural relationship when these nations articulate their own relationship to Western Europe and their own internal political structure. The nations of Eastern and central Europe now part of the Warsaw Pact should be free to undertake an economic association with the European Community based on Article 238 of the Treaty of Rome. And the Soviet Union should apply to Eastern Europe the principles of nonintervention in domestic affairs put forward by Gorbachev before the U.N. General Assembly.

(4) The United States, Canada and West European nations have both the right and obligation to require the Soviet Union to abide by the Helsinki Final Act and subsequent accords in the CSCE process, including the last agreements reached in Vienna. Some of the new attitudes in Moscow should help to create the conditions for further advances in the areas to which the West has always attached special importance, such as human rights and the free flow of people, ideas and information. The more these advances can be anchored in binding agreements and national legislation, the greater can be our trust in their permanence.

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(5) There needs to be a common attitude toward East-West economic relations:

—Unstructured and uncoordinated concessions must be avoided.

—East-West economic relations must reflect mutual interests. Obviously, the U.S.S.R. does not qualify for the kind of concessionary terms that are appropriate in the Third World. Western credits and transfer of technology are no substitutes for adequate economic policies, rational reforms and a national effort.

—We welcome those economic reforms in the U.S.S.R. that are oriented toward creating a market-related economic structure. But we warn against 'political trade" that would depart from the normal rules and practices for developing international trade. While creating a climate of confidence for Western businessmen, the industrial democracies must be careful lest the largely uncoordinated Western credit system should help to create another debt crisis in Eastern Europe and the Soviet Union.

—We do not favor financing the Soviet Union as a political entity. We do propose to support, and perhaps to finance, those changes in the Soviet Union's economic structure that will make it more compatible with Western practices and values—provided the Soviet Union carries out a major reduction of its military expenditures and conducts a conciliatory foreign policy. The modernization of those aspects of the Soviet economy that promote competition and a climate of pluralism (e.g., joint ventures, managerial training and technical assistance to encourage individual private farming) deserve attention.

—Our countries should welcome Soviet and Eastern European participation in international economic institutions when these countries are ready to assume the obligations of such institutions and can meet the normal tests for entry. In the meantime, we support their admission to observer status.

—Our countries should be open to supporting moves by the Soviet Union to adjust the value of the ruble or to take the initiative in creating the conditions for the partial or full convertibility of the ruble.

—There were good reasons for establishing COCOM, and there are good reasons for maintaining it. The system must operate effectively and fairly to inspire confidence

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among the very businessmen that, in the nature of the system, it must inevitably penalize.

(6) The way is open for a new approach to relations in the Third World. Both sides should refrain from exacerbating conflicts and seek by joint efforts to resolve them. In addition, we would expect the Soviet Union to strengthen its contributions to the economic development of the Third World by participating in relevant international economic institutions.

* * * *

The opportunity to put East-West relations on a new foundation is before our countries. To seize this opportunity, our countries must act on the basis of careful analysis, not wishful thinking. We need to recognize that qualitative changes are occurring in the Soviet Union, but be realistic about the limits and uncertainties of change. Our countries should enhance their consultations on the developments occurring in the Soviet Union and their implications, and our countries should increase their efforts to develop a common strategy for the West. We should make it clear to our publics that on this basis we are prepared to make every effort and explore every possibility toward achieving a constructive East-West partnership in the search for peace.

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*Henry Owen*
*Edward C. Meyer*

# CENTRAL EUROPEAN SECURITY

The threat of war in central Europe still exists. One does not have to credit Soviet leaders with an intent to attack Western Europe to believe this. The peoples of Eastern Europe are no more satisfied today with Soviet dominance than they were before 1914 with Austrian and Russian rule. Nor is it yet clear that the Soviet rulers are more ready to yield control of this region than were the Romanovs or the Hapsburgs.

Indeed, central Europe remains second only to the Middle East in its potential for conflicts that could embroil the great powers. To be sure, security arrangements in the region have helped to keep the peace for almost half a century. But these arrangements are changing, and new trends are taking shape:

—There are pressures for a reduction in U.S. and West German active forces on the central front; the emergence of a West European defense entity is being discussed more actively than in the past.

—Political and economic trends in Mikhail Gorbachev's Soviet Union and in Eastern Europe make an agreement on the reduction of conventional forces in central Europe more likely, with consequences that could lead to major changes in the defense posture on both sides.

—Military trends could move both NATO and the Warsaw Pact toward a structure of forces with a more defensive character, and with greater emphasis on new technologies that could reduce the role of heavy armored divisions.

If current security arrangements are in fact changing, what will take their place? To answer this question we turn first to an examination of political and economic trends in the West and in the East. This is followed by a review of changes in the military environment that will confront both alliances. In conclusion, we examine the courses of action that seem most likely

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to advance U.S. interests in regard to central European security.

II

The bulk of NATO's forces on the central front consists of the 12 well-trained and well-armed active West German divisions, plus supporting air and naval forces. The ability of the Bonn government to maintain this structure is critically affected by demographics. West Germany's population is now declining; from the present 60 million, some demographers predict that it may eventually go as low as 35 million. Even if this trend is eased it will almost certainly mean a reduction in active West German armed forces, particularly the army. Earlier there were plans to extend the period of compulsory military service from 15 to 18 months to maintain these forces, but this extension is now to be deferred, mainly for domestic political reasons. There are alternative remedies—notably enlisting women or drafting foreign-born residents (mainly Turkish workers)—but both are unlikely.

The challenge presented by the military consequences of West Germany's demographic pressures is aggravated by new German political attitudes on East-West issues, issues that have traditionally played a large role in German politics, for obvious geographic and historic reasons. Since the Soviet threat seemed especially acute to West Germans in the 1950s and 1960s, the current perception that it has declined takes on a special importance. A recent opinion poll showed that 75 percent of the respondents saw no major military threat; most West Germans want to believe that Gorbachev will succeed.

Other pressures to reduce the level of German active forces include a desire by some Germans to reduce draft call-ups and also to see fewer military convoys on their autobahns and fewer combat aircraft flying over their towns. More serious are the fiscal strictures. The German body politic does not readily accept large-scale budgetary deficit financing. The new finance minister, Theodor Waigel, is under heavy pressure to cut taxes in order to reform the tax structure and stimulate growth. These pressures cannot be accommodated without increased deficit financing unless government expenditures are reduced. This will be hard to achieve if the active German armed forces remain at their present levels.

The pressures to reduce active forces also exist elsewhere in Europe, in varying degree. Britain is committed by the Western

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European Union treaty to maintain 55,000 soldiers in Germany. Because the British Army of the Rhine, like the rest of Britain's armed forces, is an all-volunteer force, the issue of the draft does not arise. Nor do military aircraft fly low over British villages or convoys clog British roads. Fiscal problems do exist, however, and they exert pressure on the BAOR.

The Benelux countries contribute four divisions to the defense of Germany. Their draft periods are shorter than Bonn's and, again, the issue of convoys and low-flying aircraft does not arise. However, as in Germany, there is the same perception of a waning Soviet threat, and there are also serious fiscal problems. Nevertheless, the size of the active Dutch and Belgian armed forces has not yet become a central political question in these countries.

French forces, of course, are not under NATO command. Furthermore, the small First French Army based in Germany lacks the heavy armor that characterizes other NATO forces on the central front; so does the Force of Intervention, stationed in France, which would be committed in the event of war. The resources available for these conventional forces are limited—not so much by demographic or political considerations as by the expensive needs of France's nuclear force.

At present, the five U.S. divisions stationed in Germany, and those divisions stationed in the U.S. that are earmarked for early wartime use in Europe, are made up predominantly of active-duty forces. There is a powerful argument, the current administration points out, for keeping it that way while we seek to negotiate an agreement with the U.S.S.R. for mutual reduction and withdrawal of forces. To reduce the active element and increase the reserve element in U.S. NATO forces before an East-West agreement is reached would degrade U.S. bargaining power in that negotiation.

Whether a reduction in active forces can be deferred until an agreement is concluded, however, will depend partly on how rapidly political pressures for greater NATO burden-sharing build up in the United States. There is a widespread feeling in the Congress that the European members of NATO should be doing more. The obstacles are formidable; none of the European countries that maintain forces on the central front are likely soon to spend more—in real terms—for defense; German active armed forces are more likely to decline than to expand.

The resulting U.S. frustration will probably be expressed in

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growing congressional demands for reduction in U.S. forces in Europe, even before it becomes clear whether an East-West agreement can be secured. This trend, as well as other factors, has focused increased attention on the possibility of a new European defense entity.

There is some French interest in this idea, in part because it corresponds to the French desire for closer French-German relations. It also reflects the French Gaullist view that Europe's destiny should be settled by Europeans, not Americans, and the view of supporters of the late Jean Monnet that in defense, as in other fields, there should be a "two-pillar" approach to relations between the United States and Western Europe.

Whether consensus could be reached in France to maintain the larger French conventional force that would be required for a European defense entity is another question. A European army that consisted mostly of German forces would not be acceptable to most Europeans, though the French might argue that their powerful nuclear contribution justified a lesser conventional share for France.

The United States also has shown some interest in the concept of a European defense entity—partly from a desire for greater burden-sharing and partly because of fears that NATO, as presently constituted, is "structurally disarming" itself; i.e., that allied nations, because of the increased cost of every replacement program, are procuring reduced numbers of each new weapons system. Some experts propose to avoid structural disarmament by building a two-pillar NATO arsenal, based upon cooperation between an increasingly integrated European defence production effort after 1992 and a corresponding effort in the United States.

Some see the concept of a European defense entity as a logical extension of the general movement toward European unity. In the United Kingdom, however, there is vocal and substantial opposition from Prime Minister Margaret Thatcher, who sees European union as a free market and little else. In this she probably mirrors a significant element of British opinion. After Thatcher leaves power, the complex process set in train by the Single Act of 1992 may well carry Britain along with other European Community countries toward political, as well as economic, union. If political unity thus emerges, might not a measure of military integration also follow?

A decisive factor will be the U.S. role in Europe. So long as five U.S. divisions remain in Germany, most Germans will not

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want to jeopardize their presence by moving toward a European defense entity. Only if a significant U.S. withdrawal seems likely might they consider the radical changes in NATO that would be needed to create a European defense entity. Even then, the Europeans would face difficult questions:

—Would there be a common European program for production of weapons and equipment; how could cooperation be arranged between European and U.S. research, development and production efforts?

—Would there be "European" combat forces? If so, at what level would integration be sought? (In Switzerland, most divisions are either French- or German-speaking; not until the corps or army level is integration generally achieved.)

—What would be the relation of a European defense entity to NATO? Would France join that entity if it meant that its forces would come under NATO peacetime command?

—Would the French and British nuclear forces come under European control? If so, through what mechanism?

These questions show how difficult it will be to proceed toward a European defense entity. As indicated above, even slow progress will depend on U.S. policy. This, in turn, will depend on fiscal and political pressures in America and on East-West relations.

III

President Bush has said that he intends to keep U.S. forces in Europe, but there is a new element in the NATO equation—Mikhail Gorbachev. The Soviet leader's general posture, including his announced troop reductions and withdrawals from Eastern Europe, are believed by many not only to reduce the Soviet threat to Western Europe but also to increase the possibility of an agreement to reduce both sides' conventional forces in central Europe.

To enhance his chances of success on the economic front Gorbachev apparently wants to reduce the burdens on the Soviet economy. He means to reduce the size of the Soviet armed forces and has taken some steps to this end, but the reductions of 500,000 troops announced thus far are not large enough to affect the Soviet economy. He probably will not go much further unless the West offers a reciprocal reduction. In an attempt to induce this Western reciprocity, Gorbachev has promised to reduce not only the size and presence but also the offensive structure of Soviet forces in central Europe.

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These steps will not shift the balance of East-West military power in central Europe, but they seem to signal a willingness to take even larger steps in the context of future East-West agreements. In the talks in Vienna the U.S.S.R. has proposed East-West reductions of over one million troops on each side, to achieve common ceilings of 1.35 million troops and 20,000 tanks.

Gorbachev wants to achieve conventional arms control not only to reduce his defense burden but also to weaken military and political links between the United States and Western Europe. Nevertheless, Gorbachev cannot ignore the views of the Soviet military. The most powerful opposition to Gorbachev's policies may come not from the heirs of a discredited Marxist ideology but from an authoritarian and nationalist tradition with deep roots in Russian history. The army's leaders could be a powerful ally of opposition from this quarter. Soviet military leaders will be concerned over any withdrawal of units from Eastern Europe that might open the way to a loss of Soviet control over this strategic area, or to dangerous new conflicts among its nationalities. It would be a very unusual Soviet general officer who did not consider it vital for Russia to control the approaches to its western borders.

The military will not be alone in wishing to maintain enough Soviet forces in place to ensure political control of East Germany, and to protect Soviet lines of communication in Poland and perhaps Hungary. Conservatives inside the U.S.S.R., as well as the current governments of East Germany and Czechoslovakia, will share this concern. These groups will press for an agreement that only sets overall limits on NATO and Warsaw Pact forces, or that concentrates less on force reductions than on measures to provide warning against surprise attack.

Speculation about these trends is shadowed by the possibility of more radical change in Eastern Europe. Forces may emerge, particularly in Poland, with demands that threaten what the Soviet Union considers its vital interests in the area's stability and governance. Gorbachev may, in this case, feel that he must threaten or even actually use force to uphold these interests; this could change the whole character and outlook of his government. On the other hand, if Gorbachev accepts far-reaching changes in Eastern Europe, Russian disenchantment with the resulting turbulence could feed back into political and economic problems in the U.S.S.R. and threaten the survival of his government.

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This scenario is intended not to forecast what will happen, but to illustrate a general proposition: that destabilizing changes in Eastern Europe—not only in Poland but in Yugoslavia, Hungary and elsewhere—could produce results that would be so unacceptable to important groups in the U.S.S.R. as to change Gorbachev's most basic policies. If so, the Soviet government might, as suggested earlier, become more nationalistic, and this could mean a harder line not only toward non-Russian nationalities in the U.S.S.R. and toward the Eastern European nations, but also toward the negotiation or observance of arms agreements in central and Eastern Europe.

Obstacles to an agreement on force reductions are not confined to the East. Although there is growing West German criticism of the U.S. military presence, there is also great concern that the United States provide a strong commitment of its forces to the country's defense. In other West European countries, especially France, there is also fear that the United States and the U.S.S.R. could make a deal over the heads of Europeans—a deal that would not take adequate account of their interests. This fear is the greater because they know that, in the end, bilateral U.S.-Soviet discussions may be the only way to reach a major agreement on conventional forces. The large number of participants in the Vienna negotiations is often cited as one reason those talks have made so little progress in so many years.

Greater progress now seems feasible, however. The Soviet proposal delivered by Foreign Minister Eduard Shevardnadze at the March 1988 meeting in Vienna had many aspects in common with NATO proposals—including the levels to which troops would be reduced, the equal limits on specific weapons, and the requirement to increase verification measures. How little the differences are in some of these areas is exemplified by the NATO proposal to make cuts of between five and ten percent from the current NATO level for certain weapons and the Soviet proposal to reduce both sides' forces to equal levels ten to 15 percent below the lowest current strength of either side. In practical terms this means the NATO level.

Major disagreements still exist, such as whether tactical air and naval units and weapons will be included in negotiations. But the differences between the two sides seem to be narrowing.

A few major conclusions emerge from our analysis of political and economic trends in both West and East: the changing

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demographic, political and fiscal environment foreshadows some change in the mix of active and reserve units in U.S. and German armed forces. These pressures may, when combined with other factors, bring consideration of a European defense entity increasingly to the fore. In the East, present trends and pressures may lead to reductions in Soviet forces and to East-West negotiations about forces in central Europe that will have better chances of success than in the past.

Military factors, however, still play an important role. It is to these factors that we now turn.

## IV

For the past twenty years the strategy upon which NATO has depended to deter war and to shape the force structure of its member nations has been one of extended deterrence. Its basic components have been conventional defense positioned as far forward as possible, the use of tactical nuclear weapons if conventional defense fails, and the use of strategic nuclear weapons should it not be possible to contain the war with lesser means. The principle behind this strategy is one of continuously escalating use of an amalgam of conventional and nuclear forces.

As American intermediate-range nuclear forces are removed from the continuum of extended deterrence, as required by the INF treaty signed in December 1987, and as the Soviets indicate their intention to change the size and structure of their forces, some basic questions are being asked about the viability of the current NATO military strategy: For example, is a strategy viable that requires nuclear intervention at an early stage of any future war? Is there any need for new short-range nuclear weapons?

The starting point for considering these military trends and questions is the change in the threat posed by Warsaw Pact forces. President Gorbachev announced to the U.N. General Assembly on December 7, 1988, an intended reduction in Soviet forces within the next two years of 500,000 men, the withdrawal of six tank divisions (2,000 tanks) and another 3,000 tanks from the central front, and the reorganization of all Soviet divisions in Warsaw Pact territory into "clearly defensive" forces. Of the six tank divisions, four are being removed from East Germany, one from Hungary and one from Czechoslovakia. Marshal Sergei Akhromeyev, the former chief of the general staff and now a special adviser to Gorbachev,

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has indicated that the remaining 3,000 tanks to be reduced in the forward area (i.e., the territory of other Warsaw Pact allies) will be removed from the 22 divisions that will remain in the Soviet forces in the Warsaw Pact area bordering on Western territory. Another 5,000 tanks will be removed from the Soviet forces stationed farther from the NATO-Warsaw Pact border. Significantly, both Akhromeyev and Gorbachev have indicated that the tanks taken out of these divisions will be destroyed, although most of them are among the most modern tanks in the Soviet armed forces.

Similar reductions have been promised for other weapons of concern to military strategists and force planners: 8,500 artillery pieces, 800 combat planes, and combat support for the forward deployed Soviet divisions will also be reduced.

These announced changes represent about a ten-percent reduction in the capabilities of the Warsaw Pact forces. There are differences of opinion as to the military significance of these reductions.

In November 1988 NATO released "Conventional Forces in Europe: The Facts," an agreed NATO comparison of conventional forces in the area from the Atlantic to the Urals. In January 1989 the Warsaw Pact released its own comparison. Table I shows some of the pertinent facts contained in these two estimates.

Obviously, there is a significant difference in the balance of forces as seen by the Warsaw Pact and NATO. If one uses the NATO figures to assess the impact of the Warsaw Pact unilateral reductions, there will continue to be a significant conventional numerical imbalance in central Europe after the proposed Soviet unilateral reductions. This is why Western governments

TABLE I

| | NATO Estimate | Warsaw Pact Estimate |
|---|---|---|
| NATO Personnel | 2,213,593 | 3,660,200 |
| Warsaw Pact Personnel | 3,090,000 | 3,573,100* |
| NATO Tanks | 16,424 | 30,690 |
| Warsaw Pact Tanks | 51,500 | 59,470 |
| NATO Artillery | 14,458 | 57,060 |
| Warsaw Pact Artillery | 43,400 | 71,560 |
| NATO Combat Aircraft | 8,200 | 7,130 |
| Warsaw Pact Combat Aircraft | 4,507 | 7,876* |

* Includes naval figures.

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seem agreed not to undertake unilateral NATO reductions, except in response to further Soviet actions.

The proposal to create Soviet divisions that will become "clearly defensive" in the forward area is also important. In discussions with senior Soviet military and civilian officials earlier this year, U.S. participants emphasized how difficult it is to define "clearly defensive" forces. The argument was made that nearly all weapons systems and organizations can be used in offensive operations. While this is a military truism, it is nonetheless also true that units can be made less threatening, hence more defensive, through organizational changes.

The changes proposed by the Soviet Union, if carried out, would indeed make some units less threatening. Converting tank units to mechanized or motorized infantry units, and reducing their bridging capability and their forward refueling and rearming capability are all steps that would decrease the capability of Warsaw Pact forces to conduct large-scale offensive operations.

If it becomes clear that the proposed changes are being implemented, increased warning time for NATO will become a distinct possibility. For the past decade, NATO planning has been based upon 14 days of "strategic" warning and ten days in which to react to that warning. These planning factors have been the basis upon which NATO force structures have been developed. They also form the basis for reinforcement plans that determine how soon after mobilization NATO forces should be in wartime positions on the central front. For example, the requirement to have ten U.S. divisions in Europe ten days after mobilization flows from the planning criteria established by the estimated 14 days of warning and ten of reaction time.

This estimate has been driven largely by the forward locations of Soviet and Warsaw Pact divisions in peacetime. It is also based on the offensive capability of these divisions and of the supporting units (artillery, engineers, supply, maintenance, etc.) which are essential in rapid offensive operations. If the changes proposed by the Soviet Union do in fact occur, U.S. and allied intelligence estimates will begin to posit longer periods of strategic warning, which means that greater mobilization times will be available to NATO nations.

Additionally, the processes for verification of unilateral Soviet reductions should increase NATO's confidence in being able to detect any significant change in Warsaw Pact force dispositions. These and other activities designed to make both sides'

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forces more transparent should give the intelligence community greater confidence in its estimates of the warning time that NATO could expect to have if the Warsaw Pact decided to conduct a large-scale offensive operation.

An increase of seven to ten days in the warning time would have significant impact on the number and mix of active forces that NATO nations need to maintain. It could provide a basis for better rationalization of European, U.S. and Canadian contributions.

In addition to increasing warning time, the reductions and restructuring proposed by the Soviets could significantly reduce their capability to undertake large-scale offensive operations. If the bulk of the Soviet forces deployed forward in Warsaw Pact territory were in a clearly defensive mode, it would take significant time and effort to reconfigure and retrain these forces to operate in an offensive mode. With the threat of sudden large-scale tank attacks thus decreased, NATO could develop a force structure with less forward deployed combat power.

V

One reason for this is that new technology provides NATO forces along the inter-German border with the ability to determine any significant changes in the Warsaw Pact forces. In assessing the wider potential of such new technologies, it must be understood that technology can be a double-edged sword. It can permit outnumbered NATO forces to defeat Soviet forces that are inferior in quality. It could also prove destabilizing if, as a result of conventional arms control agreements, NATO and Warsaw Pact forces were to become relatively equal in the future. Under such conditions of negotiated parity or "reasonable sufficiency," any significant breakthrough in technology could have a dramatic effect on the balance of forces in central Europe.

The early introduction of directed-energy weapons or long-range precision guided missiles would be of great concern to the side without such a capability. This concern has been expressed frequently by Soviet military and civilian leaders in recent discussions of conventional arms reductions. It is an issue that will have significant impact on future NATO force structure and weapons, as well as on arms control negotiations.

Several other technological developments could profoundly influence the reshaping of NATO forces over the next decade.

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First and foremost is the application of modern technologies to determine whether the tank, in its current form, will become obsolete on future battlefields. The tank/antitank equation can best be described by the up and down modulations of a sine curve. Protective armor defeats antitank weapon; then the tank is in the ascendancy. Antitank weapon is improved and defeats armor; antitank is in the ascendancy. The cycle continues, and this technological game of wits absorbs extraordinary efforts on both sides.

This is a good time, therefore, to try to determine whether, with the new technologies that are now available, substitutes can be developed to perform the missions the tank has performed in the past. The U.S. army tank of the future is likely to be significantly heavier than current models. If a decision is taken to make all vehicles that accompany a tank as heavy as a tank, the strategic mobility of U.S. forces for use in central Europe would be degraded. The continued urbanization of the Federal Republic of Germany raises a question, moreover, as to whether newer and heavier tank forces would be consistent with operational needs and conditions in central Europe.

Directed energy weapons, lasers, longer-range top attack weapons systems, unpiloted aerial and ground vehicles, the use of robotics to offset manpower shortages, low observable technology, and other technologies that might contribute to survivability—all will have an impact on future forces. How soon these technologies can be introduced in weapons and vehicles will depend on whether, while NATO is verifying changes in the Warsaw Pact force structure and trying to negotiate conventional arms reductions, it can spend sufficient money to hasten research and development of these new technologies.

Finally, in considering military trends, certain U.S. manpower issues need to be understood: more than 50 percent of the combat soldiers of the U.S. Army are stationed overseas, and the largest proportion of these are in NATO territory. An axiom of military peacetime planning has been that it takes two infantrymen in the United States for every one overseas. The U.S. rotation base provides the opportunity for schooling, nonunit assignments, etc. Without such a rotation base, it has been considered essential that soldiers going to Europe take their families with them. Otherwise combat soldiers would spend one-half of their term of enlistment overseas and away from their families. For NCOs and officers, this would be a disincentive to a service career. To take any future force structure

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reductions solely in the United States would thus compound what is already a major personnel problem.

VI

What needs to be done?

When beginning a consideration of this question it is important to bear in mind that none of the trends discussed are solely political, economic or military; each has components of the others. Moreover, all of the trends are long term; they permit at least a two- or three-year time buffer before final decisions on the most critical issues need to be made. For example, the announced unilateral Soviet troop withdrawals will occur over the next two years.

Three courses of action that appear prudent for U.S. and NATO national-security planners to follow over the next few years are suggested below.

The first course of action is reciprocal reduction and structural change in U.S. and Soviet forces stationed in central Europe. The focus should be primarily on U.S. and Soviet forces, because their presence is at the heart of the correlation of forces between the two alliances in Europe, and because there are already substantial pressures for change and reduction in these forces. To ensure that these changes proceed in tandem, and that they contribute to stability rather than to one-sided advantage and instability, it will be important to link them to each other either by negotiated agreements or by tacit understandings. Unilateral Western cuts would not be useful.

The goal of any reductions or structural changes in U.S. and Soviet forces should be to increase warning time and reduce the threat of large-scale offensive operations. Some of the changes in Soviet forces that would unilaterally reduce their offensive character will need to be verified. The means of verification developed to monitor the promised withdrawal and destruction of Soviet forces over the next two years should become part of the security and confidence-building measures that will be needed to confirm any further changes by either side. Such measures should create an environment in which larger cuts can be made by both sides with confidence that significant cheating would be detected at an early stage.

The search for limited agreements deserves special emphasis. Comprehensive agreements have become so complex that it is difficult, if not impossible, to get all members of the NATO alliance to agree on them; limited agreements may well be

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more feasible. Focusing negotiations on armor and artillery units, or on close air support aircraft, may be more rewarding than efforts to agree upon armies, frontal aviation and navies as part of a comprehensive treaty.

While the focus in this course of action should be on changes in U.S. and Soviet forces, neither superpower can ignore its allies in devising these changes. This is particularly true for the United States, in view of its close relations with West Germany. Henry Kissinger is surely right when he suggests that current German concerns over the foreign military forces on German soil are nothing compared to the concern that would be aroused were some of these forces to be withdrawn without full German approval.[1] That approval would only be likely if the withdrawals took place within the context of formal or informal East-West agreements and/or the emergence of a European defense pillar.

Kissinger also suggests that the East-West arms agreements should be designed to prevent Soviet forces from intervening in the internal affairs of Eastern Europe. Some reduction in the Soviet capacity to intervene may follow from the type of force reductions and force changes that we suggest. Progress toward East-West security agreements and greater stability on the central front may also encourage the Soviet Union to allow Eastern Europe a freer hand.

The second broad course of action that we recommend relates to change in the relationship between the United States and the European members of NATO. U.S. dollars, armed forces and nuclear weapons have buttressed NATO since its infancy. But the alliance is no longer an infant or even an adolescent. An arrangement in which the twin pillars—the United States and Western Europe—would become more nearly equal in both their contributions to, and their management of, the alliance may now be feasible. With its present combined defense manpower and money, Western Europe could make a more effective contribution to the common defense. This will be particularly true if political, structural and fiscal changes are made that would facilitate progress toward a European defense entity. Whether this happens will depend on the Europeans; if they want to move, the United States should be responsive.

"Equal pillars" does not mean that the pillars will be mirror images of one another. Each pillar has unique capabilities which

[1] *The Washington Post*, April 15, 1989.

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can be enhanced for the benefit of both. The European pillar could launch a major research and development effort to improve and exploit the new defensive non-armor military technologies. While the results of this research should be available to all NATO countries on an equal basis, they might be especially useful to those European forces (e.g., West German defensive infantry reserves and French light forces) that are not equipped with heavy armor.

Equal pillars does mean more equal sharing of command responsibilities. Several proposals have been made to this end—e.g., for a European SACEUR or for a European force that would only come under NATO command in wartime. Some of these proposals might help to meet the problem posed by the refusal of countries such as France and Spain to permit their forces to operate under NATO peacetime command.

Whether or not a twin-pillar arrangement comes about, it will be important to get on with the creation of a resource strategy that reverses structural disarmament—by weapons cooperation that involves competitive markets, technology transfers and the opening of markets on both sides of the Atlantic to all weapons systems. Absent such a resource strategy, other actions discussed in this article will not suffice to maintain the balance of military power in central Europe.

One other aspect of change in Western Europe should be mentioned. Progress toward greater economic unity in the European Community after 1992 could enhance the possibility of stronger links between the nations of Western and Eastern Europe.

The history of Eastern Europe is one either of domination by outside powers or of conflict among the nations of this region. An alternative to both domination and conflict might be found if the East European countries were both members of the Warsaw Pact and associates of the European Community. They could seek not only continuing security in the pact but greater economic progress in association with an increasingly prosperous and united Western Europe—to which they are drawn by both memories of the past and hopes for the future.

The third course that we recommend is to change the composition of NATO forces in central Europe. Such changes make sense on their merits. Where possible, they should be related to progress in the other two courses of action discussed above: arms reduction and more equal relations between the European and U.S. pillars.

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In devising these changes, greater account needs to be taken of the geographic asymmetry that the Atlantic Ocean creates not only between the United States and the U.S.S.R. but also between the United States and Western Europe. U.S. officials have argued for years that arms reductions between the United States and the Soviet Union must be asymmetrical because of the differing times required for Soviet and U.S. forces to reach the central front. A similar criterion should be established in rationalizing the U.S. and European contributions to the defense of central Europe. This is an issue not of burden-sharing but of strategy and tactics.

During the early stages of any wartime NATO mobilization, both the West European nations and the United States are supposed to move heavy armored forces to the central front. This requires more transport and more time for U.S. than for West European forces. It would thus make sense for more of the heavy armor reinforcements to come from Western Europe and for the U.S. reinforcements to consist, in greater degree, of forces equipped with non-heavy-armor technologies described elsewhere in this article. This is a long-term goal to be kept in mind; its fulfillment will depend on progress both in developing these technologies and in achieving a European defense entity.

The most important factor in any revision of NATO's present force structure will be whether measures to increase warning time against surprise attack can be agreed between East and West. If the likelihood of large-scale attacks on the central front with little or no warning decreases, changes could be considered in the structure of not only U.S. but other NATO forces as well.

If NATO could count on 20 days of mobilization, both the West European and U.S. forces could rely more upon reserves. German army divisions could have some percentage of their battalions in the reserves, as could the central front forces of the other NATO nations. The United States could place a larger percentage of its active cadre in National Guard and reserve units, thus increasing the readiness of these reserve components. The U.S. Air Force and Marine Corps provide excellent models for the army and navy to use in seeking thus to improve the readiness of their reserve components.

If agreement can be reached with the Soviet Union to move toward forces that pose less of a threat of a sudden large-scale attack, NATO could begin to design forces for deployment close

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to the inter-German border that would be more defensive in character. Such forces might include greatly improved intelligence-gathering means, secure communications equipment, survivable mobility for soldiers, unattended aerial and land vehicles, surface-to-air defense systems, longer-range precision-guided munitions, and other high-technology contributions to defense, verification and early warning. The United States could use a test-bed division such as the one currently being considered for deactivation at Fort Lewis, Washington, to experiment with organizations along these lines. This might help the United States, in the context of tacit or explicit agreements with the Soviet Union, to reduce the U.S. Army commitment of heavy forces to central Europe, substituting forces that are lighter and more responsive, and that can take greater advantage of new technologies.

Such shifts by U.S. and other NATO forces will depend, in part, on whether research and development reduces the importance of the current heavy tank, in which the Soviets have such a striking qualitative advantage. There will always be a need to move survivable direct firepower on the battlefield in response to enemy armored and other forces. If this function can be performed by means other than heavy tanks, the nature of NATO forces could be significantly altered. Significant research and development funds devoted to this problem, before embarking on a new and heavier tank project for NATO, would be money well spent on both sides of the Atlantic.

Any review of NATO strategy and force structure will have to include a reexamination of the strategy of extended deterrence. A decision to reaffirm this strategy will require upgrading the current short-range nuclear stockpile (i.e., the Lance missile) and renewing the commitment that these weapons will be used. This poses evident problems for the present German government and, even more, should there be a Social Democratic successor.

It may be easier for the Federal Republic of Germany to accept both extended deterrence and a short-range nuclear component now if the alliance is concomitantly trying to reduce dependence on nuclear weapons in the long run, through the arms control negotiations and new non-nuclear technologies suggested above. If this approach is successful, the prospect of conventional forces eventually playing a greater role in ex-

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tended deterrence might reduce the political problems associated with the present reliance on short-range nuclear weapons.

In the meantime, the controversy over whether to modernize the Lance short-range missile will continue to pose serious problems. There is no prospect that the present German government will agree to Lance modernization before the next general election in West Germany; there can be no assurance that any German government will agree to it after the election. Pressure on the Bonn government will not change this prospect; it will only embitter U.S.-German relations and weaken the government of Helmut Kohl. Furthermore, it will seem to cast West Germany in the role of a noncooperative ally, and thus make it more difficult to withstand congressional pressures for American troop withdrawals that would, among other things, weaken the U.S. bargaining position in negotiations with the U.S.S.R. Washington now seems to understand that it need not abandon the cause of Lance modernization to avoid pressing it with such vigor as to damage the interests outlined above.

The West German government will no doubt continue to urge negotiations with the U.S.S.R. on short-range nuclear weapons. The alliance is sharply divided on this question, and so the negotiations will not happen in the near term. Again, the object should be to avoid a sharp U.S.-German confrontation. It is as much in Bonn's and our interest to show moderation on the issue of negotiations as on Lance modernization. The Germans need not renounce their goal to avoid pursuing it in ways that will exacerbate inter-allied disputes. Neither the modernization nor the negotiations on short-range nuclear weapons will soon occur. In the meantime, the alliance should focus on the courses of action that are feasible rather than those that are not.

In all of this, we need to remember that it is German power, totally and responsibly committed in support of the alliance, that has helped NATO to keep the peace in Europe since World War II. Germans are now more conscious of that power and of their own concerns than in the past. This is natural and, indeed, inevitable. It need not mean a weakening of the alliance. But it does mean that we will have to be particularly sensitive to those concerns, especially when, as in the present case, they are shared by at least some of Germany's and our allies on the continent.

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VII

The courses of action outlined above would radically alter present security arrangements in central Europe; they also would take time. Fortunately, the trends to which they respond are also slow moving; time is available.

If we are to enter the next millennium with a reduced threat and greater mutual security in central Europe, we will need to pursue these courses of action simultaneously in three different contexts: East-West negotiations, any discussions relating to a West European defense entity, and unilateral steps to adapt NATO forces to new military technologies. The objectives will be the same in each case: to move toward more defensive forces, change the relations between the U.S. and European forces in NATO, achieve greater warning time, reduce forward deployed U.S. and Soviet forces, explore alternatives to heavy offensive armor, and change the present mix of active and reserve NATO forces.

The difficulties are evident, but change is already under way. We will either shape that change or become its victims.

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*Robert E. Hunter*

# BERLIN: FORTY YEARS ON

In the romance of the cold war, Berlin has occupied a unique place. Debate continues on whether postwar Europe would have been different if American and British forces had raced to the capital of the German Reich ahead of the Soviets. The Berlin blockade in 1948–49 seemed to settle a key dispute between European and American supporters of the Marshall Plan about whether the Soviet Union had aggressive ambitions toward the West; and the blockade's end, agreed to by Moscow 30 days after the North Atlantic Treaty was signed in April 1949, validated the need for this far-reaching commitment to mutual security. The drawn-out Berlin crisis of 1958–61 brought the world closer to cataclysm than any other event of the era save the Cuban missile crisis; it ended only with the construction of the Berlin Wall, which remains the most poignant symbol of East-West confrontation, of Europe's division and of human aspirations blunted by the communist system. By contrast, Berlin also became the focus of the first comprehensive East-West agreement produced by the Ostpolitik and détente that began in the 1960s—an agreement essential to the Federal Republic of Germany's later treaties with Eastern states, the Helsinki Final Act, and talks on mutual and balanced force reductions.

## II

With this heady and consequential history in the cold war, it may seem remarkable that Berlin now commands so little attention in the West. That fact cannot derive simply from the details of the Quadripartite Agreement of 1971. On its face, this accord tidied up some provisions regarding life in, and access to, West Berlin that had not been adequately dealt with by the Western occupying powers during the 1940s. It gave mutual pledges that "disputes shall be settled solely by peaceful

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means," and it provided some reassurance about customs and Western rights, in the words that "the situation which has developed in the area . . . shall not be changed unilaterally." The unresolved issues of a divided Berlin, however, did not go away. They remain frozen more or less where the diplomacy of 1971 left off, although there has been amelioration of some human problems related to the city, its status and West Berlin's relations with others, especially the German Democratic Republic (G.D.R.).

The symbolism of the Quadripartite Agreement counted for much more: the Soviet Union was implicitly declaring its interest in developing a form of relations with the West that was not likely to be fostered through Moscow's periodically holding West Berlin hostage. And in doing so, the Soviets were placing a higher value on pursuing a broad East-West agenda than on pressing East German interests (although, in part because of the Quadripartite Agreement, the Democratic Republic was soon accorded added international legitimacy and in 1972 signed a basic treaty with the Federal Republic, which normalized relations between the two Germanies).

Through the succeeding years—even during the return of deep hostility to East-West relations—Berlin remained relatively calm. Despite occasional nibbling around the edges of the agreement, by both the Soviets and the East Germans, the basic understandings held. Indeed, had the Soviet Union returned to its old ways regarding Berlin after the invasion of Afghanistan, erosion of Soviet relations with the United States would no doubt have had a far greater impact in Western Europe. As it was, "cold war II" never bit as hard in Europe as it did in America.

With a reduction in Berlin's active role in shaping East-West relations—for good or ill—it was not surprising that its symbolism also became less compelling. In 1963, John F. Kennedy could in four words—"*Ich bin ein Berliner*"—encapsulate the entire postwar struggle in Europe, underscoring its problems and perils, as well as the possibilities that might come from Western solidarity. Fifteen years later, the phrase chosen by Jimmy Carter to follow suit—"*Was immer sei, Berlin bleibt frei*" ("Whatever will be, Berlin will stay free")—unconsciously depersonalized the significance of Berlin even as it sought to reinforce Western political and spiritual unity regarding this city-symbol. By the time of Ronald Reagan's visit to the Berlin Wall in 1987, words had become ritual—"*Es gibt nur ein*

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*Berlin*" ("There is only one Berlin")—almost an exercise in nostalgia, although one still well appreciated by the city's residents.

By the same token, West Berlin has become less critical to the Federal Republic's definition of its own legitimacy and aspirations to a wholeness of the German nation. The city has always been heavily subsidized by the Federal Republic, through both direct subventions and financial inducements for West Germans to live there. But time has taken its toll: once heralded as a show-window on the West, its neon lights glittering in the sky next to drab East Berlin, the western part of the city now seems a bit shabby compared to any bustling metropolis in the Federal Republic; even the comparison with the city across the wall is no longer quite as stark. Meanwhile, money from Bonn is harder to come by. Indeed, last year the Christian Democratic Union-led federal government reduced its payment to Berlin, although the CDU then controlled the city government.

In recent years there have been fewer efforts by Bonn to take practical steps to strengthen ties to Berlin. Several times between October 1955 and April 1965 the Bundestag met there, and four times, until 1969, the federal president was chosen there—often provoking loud Soviet and East German protests. These practices were ended by the Quadripartite Agreement. Yet today, when actions to enhance Berlin's role in West German life would cause fewer ripples, there is both less need to engage in such symbolism and greater resistance to causing any ripples with the East. Nor has there been much follow-up to Reagan's ambitious proposal to turn Berlin into a major center for "U.N. meetings, or world conferences on human rights and arms control, or other issues that call for international cooperation." The decided preference among West Germans of virtually all political stripes is to preserve the status quo in Berlin and to keep it from again becoming an issue in East-West relations.

## III

Recent political developments in Berlin may have strengthened the reluctance of Bonn to continue subsidizing Berlin at the same rate. The surprising electoral defeat on January 29 of Governing Mayor Eberhard Diepgen's CDU government has led to the creation of a "Red-Green" government—a coalition of the Social Democratic Party (SPD) and the *Alternativen* (West

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Berlin's "Green" party). The election also resulted in the emergence of the new right-wing Republican Party. It gained 7.5 percent of the total vote (and 11 seats in the Berlin House of Representatives), thus surpassing the five percent needed to acquire seats, while the centrist Free Democratic Party (FDP) fell beneath this critical level.

With these political developments, West Berlin has become less a harbinger of change in East-West politics—from deteriorating relations in the 1940s to the onset of détente—than of trends in domestic German politics. Within a month, similar results emerged from municipal elections in Hesse: major slippage by the CDU and the rise of the Republicans, showing that the first serious incursion by the political right in West Germany in two decades was not just a phenomenon peculiar to Berlin.

Both sets of election results, and particularly those in Berlin, were most significant because of an element that went beyond the usual cycles to be expected in politics, with a government in Bonn that is starting to outlive its mandate. That element was the major influx of ethnic Germans from the East (i.e., the Soviet Union and Eastern Europe). An estimated 200,000 migrated to the Federal Republic in 1988, and half again as many are expected in 1989. In the main, these newcomers have been most unlike immigrants from the G.D.R., who clearly share German culture, language and collective experience, even if they have been separated for 40 years by the inner-German border. By contrast, the new immigrants come predominately from Poland and from areas in the Soviet Union—such as the Volga River basin, to which many skilled Germans emigrated two centuries ago at the invitation of Catherine the Great. Yet these ethnic Germans are treated the same as immigrants from the Democratic Republic who, upon setting foot in any part of West Germany, Berlin included, are accepted as full citizens on the basis of the contention in the Preamble of the West German Basic Law that there is only one German nation.

Few of these immigrants, however, share German culture or even understand the language. For all practical purposes, they are Poles and Russians; yet, on reaching the Federal Republic, they become eligible for all rights and privileges of native-born West Germans, including the benefits of an extensive welfare-state system. In Berlin, in particular, preferences given to these strangers have produced a backlash—which, ironically, has

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applied less to Turkish "guest workers" (*Gastarbeiter*), who largely keep to themselves in particular parts of West Berlin, perform jobs that most Germans do not want and receive no special preferences in public housing or other state services.

In two senses, this new form of Berlin's avant-garde role is important for the phase of East-West relations that is just beginning. The tensions created by the influx of ethnic Germans arise directly from steps taken by the Soviet government as part of Mikhail Gorbachev's "new thinking." Indeed, rates of emigration from the Soviet Union have neared record highs as Gorbachev has attempted to cultivate opinion in the West. As an example of what can ironically be called a "law of unintended consequences," long-standing West German efforts to gain freedom of emigration for ethnic Germans have led to unwelcome social and political consequences (though probably short-lived), as the wish is fulfilled.

More important from the standpoint of West Germany's allies, the possibility that Berlin's "Red-Green" politics will be duplicated elsewhere in the Federal Republic—perhaps even in the Bundestag after the autumn 1990 elections—has fueled concerns about the country's future orientation, especially the continuation of defense and foreign policies firmly tied to the West. No less worrisome are the possibilities that the Republicans' fortunes will continue to wax, especially following the death of Bavaria's moderator of the right, Franz-Josef Strauss, and that the FDP—long the holder of the vigorous center in West German politics—will be excluded from the next Bundestag.

Apprehensions about a loosening of West Germany's ties to the West—which some observers have taken to the extreme of musing about "another Rapallo," in reference to the Soviet-German understanding concluded in 1922—are surely unworthy, as they betray a lack of understanding about the history and evolution of the Federal Republic. Nevertheless, there is clearly a new assertion of West German identity—a form of nationalism, but quite remote from that which has bedeviled Germany and its neighbors in the past. It is reflected in discussions, initiated by the SPD but with broader backing, about asserting full sovereignty in the Federal Republic, especially as the activities of foreign military forces have come under closer public scrutiny in an age in which war seems remote. Intense public reaction to the crash at an air show last year at the U.S. Air Force Base at Ramstein—a base closed to the Federal

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Republic's civil powers—was a particularly good example: in addition to underscoring the burdens of military activity, it dramatically reminded West Germans that their nation still lacks a peace treaty and thus juridically, though not in practice, remains subject to the ultimate authority of the World War II victors. The West German assertion of its identity is also evident in the growing resistance to continued U.S. tutelage in a wide range of security issues, the hardly concealed disdain for the economic mismanagement reflected in U.S. budget and trade deficits, and a determination to show some independence in dealing with East European states.

It is striking, however, that even among those West German leaders who most emphasize the need for the Federal Republic to extend "sovereignty" over all its territory, Berlin is treated as an exception. West Germans who concern themselves with the status of the city seem as devoted to maintaining the occupation regime as are the four powers, and there is an appreciation that this regime makes Berlin a legitimate place for inner-German contacts that might not otherwise be possible. There is grumbling about the lack of control over aspects of daily life, as happened when British authorities recently cut down trees to improve flight safety at the small Gatow airport, and there is some aversion to the national-day parades conducted by the occupying forces. Yet the broad consensus among West Berliners is that nothing must be permitted to reduce the rights of the three powers, at least in any manner that would compromise their standing with regard to the Soviet Union and East Germany. Thus, for example, successive governments in Bonn have been willing to live, though grudgingly, with a four-power agreement that, since 1945, has banned all German aircraft from greater Berlin (at first, including kites and model airplanes). Because East Germany will not relent, this preserves a monopoly of the West Berlin traffic for airlines of the three Western occupying powers, plus a new Franco-German carrier—Euro-Berlin—in which Lufthansa has only a minority interest that preserves the legal niceties. Yet despite a desire for a more "normal" air regime for Berlin, few West Germans would like to change it at the price of compromising allied authority there.

This particular West German sensitivity for Berlin's legal status was underscored during bargaining to form the new government. One of the demands that the SPD's new governing mayor, Walter Momper, imposed on leaders of the *Alternativen*

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as the price of coalition was full support for the city's occupied status and the rights of the allied powers. At the same time—in a step that only in Berlin would not seem paradoxical—the SPD also demanded full acceptance of the practice, created by the Berlin Constitution of 1950, under which all legislation of the Federal Republic is routinely adopted through passage of a "cover law" by Berlin's House of Representatives—a practice developed to deal with the legal technicality that West Berlin cannot be considered a *Land* (state) of the Federal Republic.

IV

For their part, the Western allied powers continue to observe the ritual of protecting their sovereign rights, which, collectively, make Berlin the world's most complex international issue, save perhaps for Jerusalem. Words count, as do diplomatic formalities—the allied powers will deal only with Soviet officials, not East German—plus the repetitive exercise of allied rights, throughout both parts of the city, such as the daily flag patrols of uniformed Western soldiers through East Berlin that assert the city's unity. Keeping track of the legal lore of Berlin—considered critical to preserving Western rights—is a special craft in the British, French and U.S. foreign services, and these highly trained officials coordinate with the West Germans in Bonn (not Berlin) through the so-called Bonn Group.

To an outsider, these rituals seem anachronistic. But for each of the four powers, the scrupulous preservation of its special rights, status and functions in Berlin clearly serves political purposes, which have changed over time and, indeed, are acquiring more significance now than they have had in many years. For France, its presence in Berlin is increasingly tied to the development of Franco-German cooperation, which, in significant part, is a reaction to fears in Paris that Washington will progressively reduce its military presence in, and political commitment to, Western Europe. For Britain, presence in Berlin adds symbolic weight to the relatively modest military contribution of the British Army of the Rhine. And it continues to be evidence of British ambitions to be part of great power bargaining over the future of Europe—a lingering means of securing a place that is analogous to Prime Minister Harold Macmillan's assertion that Britain's nuclear deterrent bought it a place at the "top table."

Most important among the Western powers is the leading

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role played in Berlin by the United States, both because of its central significance in East-West relations and because of the vital importance the Federal Republic attaches to U.S. political and security commitments. By resolutely remaining in Berlin, the United States shows common cause with its West German allies, thus helping to shore up confidence in broader undertakings and, in the bargain, both providing international legitimacy to the Basic Law's assertions about the continued existence of one German nation and—less important—seeming to preserve the possibility of Berlin's again serving as Germany's capital. Nor is it necessary for any West German to desire reunification to appreciate the value of keeping open these options or—through the continuation of the Berlin occupation regime—reminding everyone that the German question remains unresolved.

From the U.S. point of view, Berlin serves a special purpose. Since the end of World War II, in times fair and foul, it has provided a recognized and regular point of contact—symbolically and substantively—between the United States and the Soviet Union, between East and West. At times of crisis, Berlin and the rules enveloping it have provided a safety valve, in the form of challenge and counter-challenge within the diplomatic rather than military realm. And at times of improving relations, it has provided a well-known set of problems and difficulties that could be dealt with in a recognized and accepted setting, as evidence of what else could become possible.

The U.S. role in Berlin has taken on added significance as change beckons in East-West relations in Europe. The United States (along with Britain and France) is legitimately present and engaged deep inside the most important of the Soviet Union's Warsaw Pact allies—a position based on original rights deriving from the defeat of the German Reich. In a way and to a degree that could not otherwise be possible, the United States' presence in Berlin makes it a central European power, with a legitimate interest in the evolution of events.

Nor is this point lost on the Soviet Union. While from time to time it has stood stoutly with the G.D.R. in asserting the latter's claims to be sovereign in East Berlin, it is as sedulous as the Western powers in preserving and demonstrating its rights as an occupying power in all parts of Berlin; essentially for that reason it drew out to the end the drama of Rudolf Hess in the British sector's Spandau prison. Today the Soviet position in East Germany is secure. But this might not always be the case,

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particularly after a generational change in the East German leadership, perhaps significant reductions in the Soviet forces based in East Germany and unforeseen internal developments there. Then the Soviets, too, could find added political and diplomatic value as an occupying power in Berlin, especially well placed to make assertions regarding the legitimacy and interests of the G.D.R.

Berlin's significance in relations within the communist bloc has again been demonstrated by the G.D.R.'s stiff response to the Gorbachev agenda. Last year, demonstrators in East Berlin who were shouting support for Gorbachev were taken in hand; an East German Politburo member wondered "If your neighbor changes his wallpaper, does that mean you also have to do so?" (The comment prompted the papering of part of the wall on the Western side!) And the East Germans have recently been policing the wall with renewed brutality, including some killings. The target for this last message is probably not so much the West or the East German population as the Kremlin: "Watch your step, Comrade Gorbachev."

Indeed, few observers of Berlin believe that the East German regime could tolerate the wall's coming down. With increased living standards in the G.D.R. (though still far behind the Federal Republic's) and with a progressive liberalization of family visits from East to West, there would not likely be the kind of outpouring of East Germans that prompted the Berlin Wall's erection in 1961. But many skilled workers and professionals would want to leave. The embarrassment to Erich Honecker's government would be all the greater because of the comparison with Gorbachev's ambitions for glasnost and perestroika.

In terms of calling renewed attention to the inhumanity represented by the Berlin Wall and demonstrating the U.S. commitment to change in Europe, President Reagan was right during his 1987 visit to taunt: "Mr. Gorbachev, open this gate. Mr. Gorbachev, tear down this wall." But in practical terms, his message was misaddressed. So long as the G.D.R. needs the Berlin Wall it will remain standing. The Soviet foreign minister, Eduard Shevardnadze, commented cryptically on the subject last January, "When the Berlin Wall was set up, there really were reasons for it. One will have to consider whether these reasons still exist." He then dryly suggested that any further questions be directed to the foreign ministers of the two Germanies.

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V

What happens in Europe and what happens in the two Germanies is the key to Berlin's future. It is no longer the central focus of East-West tensions or the place where change begins. Because its status cannot be altered without calling into question other, more important, arrangements regarding the full range of East-West relations in Europe, Berlin cannot be the beginning of a transformation of the political and security structure of the continent.

The "onion" must be peeled from the outside in. Though various steps can be taken in tandem, broader arrangements for reducing or ending the division of Europe must be the prerequisite for altering the condition of the German states—certainly in any formal way, beyond the progressive amelioration of human problems and the strengthening of economic and political ties. And determining the fate of the Germanies must precede any final resolution of the Berlin question. To reverse the process would be simply to invite trouble, by raising imponderables—Who owns Berlin? What place for Germany?—without a ready-made, encompassing answer that is Europe-wide.

There is little doubt that the outcome of this sequence of events is still many years off. Before current developments could provide a basis for decisive change in Europe, many things must happen. These include: major progress in reducing the military dimension of confrontation, both in its own terms and for its impact on political relations; the completion of a form of political, social and economic revolution in the key East European states, so that stability will be possible without occupation troops, foreign or domestic; an implicit acknowledgment by the Soviet Union of its ideological bankruptcy and its explicit acceptance of a security regime in Eastern Europe quite different from today's; the development of a means for retaining a viable U.S. presence on the European continent and America's continued engagement as a "European" power; and—perhaps most daunting—a widely accepted answer to the "German problem," whether in the form of two states, as now, or a new unity.

Neither Germany nor Berlin can be ignored. Indeed, in face of the Gorbachev revolution, it is obviously becoming more difficult for the Western allies to maintain robust conventional defenses, plus acceptance of a doctrine that involves nuclear

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weapons, especially deployments on West German soil. There is a risk that the Soviet promise of change will lead to a lessening of effort in the West before actual military developments or the results of arms control negotiations warrant such reductions in the Western military posture. This spring's squabble between the Federal Republic and, principally, the United States over the modernization of short-range nuclear forces has dramatized this problem but by no means exhausted it. With war so remote, containment of the Soviet Union is no longer adequate as an objective around which to rally the support of the West German population—or that of several other West European countries. And with a rising role for the "Greens" and the possibility that the SPD will return to power in Bonn by the end of 1990, there is added reason not to be laggard in considering issues of change in Europe.

For the United States, however, the possible restructuring of the European political order poses a special problem of exercising leadership. Its independence of action in dealing with the Soviets must be modified; it must not act on the future of Europe without the close involvement of its allies and a direct role for the East Europeans—not another Yalta.

The best first step is for the Western allies to create and then to present their own vision—looking toward the day when the continent will again be undivided. That will require the development of various alternative schemes for security—each as stable as today's, but more productive, less expensive and more humane. In the past, there have been legitimate arguments against developing and advancing such ideas, for fear that discussion would lead to reduced Western defense efforts before some viable alternative could be constructed. Today, however, the reverse risk is evident: without a sense of long-range purpose, the alliance could progressively erode from within, the victim of Soviet diplomacy and Western economic difficulty or inaction.

There is particular need for the allies to develop and present such a vision for the Federal Republic, and to recognize that any West German government will profit from being able to offer some hope that conditions within the G.D.R., between the two Germanies and in Berlin will improve. It takes nothing away from West German integration within the West and its institutions to see the value in presenting the scope of an alternative, its prospects and the problems to be resolved.

Here, Berlin can play a central role as a focus for testing

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Soviet intentions, for illuminating the consequences of continuing Eastern bloc actions—reflected in Western demands for the Berlin Wall to come down—and for exploring the willingness of the G.D.R. to seek greater legitimacy through improving human conditions and inner-German contacts. Berlin symbolizes the close interaction of four levels of diplomacy: U.S.-Soviet, East-West (with Britain and France standing in for their European partners), inner-German and the single city itself. Thus what is permitted to happen there—and the discussions that take place within Berlin and about Berlin—can become a means of both calibrating and fostering progress toward a larger and precedent purpose: the slow but steady march toward ending the division of Europe.

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*Gerard C. Smith*
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# A BLIND EYE TO NUCLEAR PROLIFERATION

President George Bush has taken office at a time of new challenges in world affairs. The thaw in relations with the Soviet Union provides a basis from which to pursue a further de-escalation of tensions between the world's two greatest military powers, and the opportunity to address some of the other urgent issues that confront the United States and the Soviet Union. One of the most important problems is that of nuclear proliferation—an issue that was both masked by the global tensions of the early 1980s and exacerbated by them.

As the United States and the Soviet Union put their relationship on a somewhat more even keel, the U.S. government should undertake a fresh assessment of the status of the worldwide nonproliferation effort. This assessment should include a sober reevaluation of America's contribution to that effort. To be sure, our country has much to be proud of. Most recently, in March 1988, U.S. pressure resulted in Taiwan's agreeing to dismantle a nuclear program of potential military significance. But the decisions successive presidents have made in other critical instances have undermined rather than strengthened the worldwide nonproliferation regime, which is based on the twin pillars of the Nonproliferation Treaty (NPT) and the safeguards of the International Atomic Energy Agency (IAEA).

Of all the nuclear weapons states, the United States has not been the only, or even probably the most egregious, offender against this regime. The United States, however, has adopted a frequently permissive attitude toward two nuclear "maverick" states in particular—Israel and Pakistan. This attitude has allowed both states to reach or cross the threshold of nuclear

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weapons possession. It has had a significant ripple effect in eroding the credibility of the NPT regime, since other potential proliferators can point to U.S. laxness, and it has eroded the credibility of publicly stated U.S. nonproliferation commitments. American permissiveness toward the acquisition of nuclear weapons by its friends acts against its own best interests and should be stopped.

The NPT is due to come up for reconsideration in 1995. It is our guess that the American people would strongly support the continued existence of either the present treaty or of something even more effective. Now is the best time to evaluate the effect that U.S. actions have had on the existing regime, so that its contribution to the international discussions leading up to the 1995 review may be credible and effective.

There is a second, related issue—chemical weapons. Much attention has been paid in recent months to efforts to stuff back into its bottle the evil genie of this other horrific means of population destruction. These efforts are most timely, given the signs of "usefulness" that these weapons acquired when employed by Iraq in its successful 1988 battles against Iran. However, the publicity given to attempts to restrain the chemical danger should not obscure the need to press forward with continued efforts on the nuclear proliferation front.

It is clear that nuclear proliferation poses a threat to human existence far greater than that posed by the spread of chemical weapons. One has only to compare the immediate effects on global stability of the use of nuclear weapons by any state, anywhere, with those that ensued from Iraq's use of chemical weapons, to see that this is so.

## II

Since 1945 a major aim of American policy has been to curb the spread of nuclear weapons. After the failure of a radical operation, the Baruch plan of 1946, U.S. efforts became more modest—and realistic. Their main international elements included: a United Nations specialized agency, to promote and watch over civilian uses of nuclear energy and to alert the world if such facilities were being militarized; the Nonproliferation Treaty of 1968, which bans nuclear weapons in most nations and includes promises from the superpowers to get on with disarmament; and an agreement among major supplier states (known as the London Suppliers Agreement of 1976) to

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constrain exports of any nuclear materials or technology that have military potential.

The IAEA, an independent United Nations agency, was founded in 1957. It currently has 112 member states working "to accelerate and enlarge the contribution of atomic energy to peace, health, and prosperity throughout the world, and to ensure so far as it is able that assistance provided by it, or at its request, or under its supervision or control, is not used in such a way as to further any military purpose."

IAEA safeguarding has proven effective where civilian nuclear technology was exported to non-weapons states. But it has not proven as relevant in cases involving key nations suspected of harboring an intention to make nuclear weapons; these nations acquired their weapons-grade nuclear material primarily from facilities that they built especially for military purposes, rather than by diverting it from civilian facilities. The agency's effectiveness has been further reduced by the refusal of a number of its members to accept its safeguards comprehensively (the so-called full scope safeguards), as well as by political quarrels among its members.

In 1982 the United States withdrew from the IAEA to protest the politicization of the agency when it rejected Israel's membership credentials. (The IAEA majority was protesting Israel's 1981 bombing of a key, safeguarded nuclear installation in an NPT-member country, Iraq.) Ironically, one effect of the U.S. action was to escalate the politicization of the agency, further hampering its effectiveness until the issue was resolved by a 1985 promise from Israel that it would not attack peaceful nuclear facilities in other countries. This episode sent a strong signal, disturbing to many of America's friends and allies, that the United States put its friendship with Israel ahead of its fidelity to the nonproliferation regime.

The London Suppliers Agreement has been only partially effective in restraining dangerous nuclear trade. The agreement does not require that exports be conditioned on the importing countries' submitting all of their nuclear facilities to international safeguards; in addition, some nations capable of supplying nuclear technology are not members of this group. Export policies pursued by the major suppliers have become somewhat tighter than those of earlier decades, but smuggling still poses a major threat to the nonproliferation effort.

The Nonproliferation Treaty provides the general legal framework for the international effort. The 135 member states

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that forswore nuclear weapons have thus far kept their promises. But the treaty's effectiveness has been limited because a number of important nations have refused to sign and ratify it. Two of those countries—France and China—are acknowledged nuclear weapons states: both have played a role at various times in sharing nuclear expertise with non-weapons states. (France is a member of the London Suppliers' group. China is not, but in 1984 it pledged to apply IAEA safeguards to future nuclear exports.) Two other non-signatories of the NPT are the nuclear "mavericks," Pakistan and Israel. Four other non-NPT nations—Argentina, Brazil, India and South Africa—are also working toward nuclear weapons possession, if they do not already have them.

Three states that have demonstrated their nuclear weapons status adhere to the NPT: the United States, the United Kingdom and the Soviet Union. By doing so, these states have also committed themselves to disarmament, as a complement to the promises from non-weapons signatories to forswear nuclear weapons possession. The failure of the superpowers to achieve more than a token fulfillment of this commitment has damaged the treaty's credibility. The 1987 treaty banning intermediate-range missiles is but a first small step toward remedying this situation.

For these reasons, the global nonproliferation regime has not proven as successful as originally hoped. Nuclear arms are now produced in countries that, when the NPT was established in 1968, were non-weapons states.

But unfortunately, there remains a widespread public perception in the United States that this nuclear problem no longer needs priority attention. For example, the report prepared by former Presidents Jimmy Carter and Gerald Ford for the new administration did not even mention proliferation as an urgent arms control problem.

Why does this complacency persist?

One answer is that earlier predictions that many nations would soon possess nuclear weapons proved excessively alarmist. We should take some satisfaction that those dire predictions did not prove true, but this partial easement should not blind us to the very real problems that remain.

American policy has been on a slippery slope for decades. We started with the aim of preventing additional states from developing weapons. Now, we tolerate several national weapons programs that are undeclared and have not surfaced

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through nuclear tests. The United States has compromised its policy by acquiescing in foreign weapons programs having an ambiguous status. This is the prime reason why our policy is failing. The pressing problem now is how to contain and reverse the weapons spread that has already occurred. For this task, wider knowledge about nuclear proliferation is essential.

III

We turn first to Pakistan, whose commitment to the acquisition of a nuclear weapons capability dates back to 1971. That year, India's intervention in the dispute between East and West Pakistan enabled East Pakistan (now Bangladesh) to secede. Humiliated by this defeat, and fearful of the strategic implications of India's nuclear program, the Pakistani government under Prime Minister Zulfikar Ali Bhutto decided to develop its own nuclear weapons capability. (Ironically, India's own decision to develop a nuclear weapons option had similarly been spurred by a military defeat, at the hands of China, nine years earlier. Thus, in the absence of an effective nonproliferation regime, the incentives to acquire nuclear weapons have increased. None of these three states was or is a member of the NPT.)

Pakistan, until recently, denied that it had anything other than a civilian nuclear program. Finally, in July 1988, General Mohammed Zia ul-Haq admitted to ambiguity in the program's actual capabilities, saying that the ambiguities concerning both Pakistan's and India's nuclear capabilities were "good enough to create an impression of deterrence."

The facts, by contrast, allow of little ambiguity. As early as 1976 the U.S. administration was seriously concerned over a Pakistani agreement in which a French firm would build a plant to produce the nuclear explosive material, plutonium. Though this plant was due to be placed under IAEA safeguards, the French were persuaded of the seriousness of U.S. concern and in August 1977 agreed to suspend the contract. The following month the United States underscored its continuing concern by cutting off economic and military aid to Islamabad. It was restored one year later.

With its plans to produce plutonium stymied, Pakistan decided to follow an alternative route of constructing its own gas-centrifuge uranium enrichment plant at Kahuta, using design data obtained from a Pakistani working in the Netherlands. In May 1979 the United States again terminated economic and

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military aid to Pakistan under the terms of the Symington Amendment of 1976, which barred aid to non-nuclear weapons countries that imported unsafeguarded enrichment technology. After the Soviets invaded Afghanistan in December 1979, however, President Carter offered aid to General Zia to the tune of $400 million. Zia rejected it as too little, but he later accepted an offer from President Ronald Reagan for a six-year, $3.2-billion aid package.

When approving this package in 1981, Congress granted Pakistan a six-year waiver from the provisions of the Symington Amendment. The administration's request for this waiver, and Congress' approval of it, constituted tacit acceptance from both branches of government that the Pakistani program was indeed a threat to the nonproliferation regime. But these acts also stressed the decision of both branches to set aside this consideration in pursuit of a campaign to counter the Soviet presence in Afghanistan.

In 1984, as the Pakistani program progressed, President Reagan advised General Zia of his deep concern and of the "grave consequences" that would follow if uranium were enriched above a safe level of five percent. (Nuclear weapons normally require 90-percent enriched uranium, though some modern designs can reportedly function at lower levels.) Zia promised Mr. Reagan that this would not happen. It did.

By the fall of 1986 an authoritative U.S. intelligence estimate concluded that Pakistan had produced weapons-grade material at the Kahuta facility. U.S. officials have estimated that production rates at Kahuta since then have been sufficient to produce two or three warheads each year. Meanwhile a considerable amount of evidence has surfaced to indicate that Pakistan has sought to expand its uranium enrichment capacity.

Nevertheless, President Reagan continued to certify that Pakistan did not possess a nuclear explosive device—a certification required annually under the 1985 Foreign Assistance Act before any further U.S. aid can be disbursed. In December 1987 Congress approved a measure authorizing an additional $480 million in aid to Pakistan and waiving the application of the Symington Amendment for another two-and-a-half years. They did so at the urging of Secretary of State George Shultz, but against the advice of the director of the Arms Control and Disarmament Agency, Kenneth Adelman, who reportedly argued that the United States should send a firm message to other would-be proliferators. His reservations were shared by

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Senator John Glenn (D-Ohio) and Congressman Stephen Solarz (D-N.Y.), but not by a majority of the legislative branch.[1]

By their actions during the years since December 1979, the congressional majority and the two successive administrations all evinced a fundamentally permissive attitude toward Pakistan's acquisition of nuclear weapons. Throughout that decade, the Carter and Reagan Administrations and their counterparts on Capitol Hill decided that rolling back the Soviet presence in Afghanistan superceded the U.S. interest in preventing nuclear proliferation. They did this even though there was little or no public debate over the relative value of these two goals. And they did so without being seriously required to demonstrate why both goals could not be pursued simultaneously. As Solarz and Glenn reportedly argued, Zia had his own strong interest in supporting the Afghan policy, in any case.

And while the two branches of government deliberately and visibly subordinated nonproliferation policy to Afghan policy, Pakistan was sliding over the threshold of nuclear weapons possession.

## IV

Israel is another nuclear proliferator. Moreover, just as in the case of Pakistan, both Congress and the executive branch have permitted or at least condoned its acquisition of nuclear weapons. Indeed, the Israelis blazed a trail for the Pakistanis in finessing some of the trickier political questions involved in pushing forward an active program of nuclear armament while continuing to receive U.S. foreign aid. In December 1981, for example, Solarz and the late Jonathan Bingham (D-N.Y.) proposed a measure that would automatically cut off aid to any nation manufacturing nuclear arms. That measure was originally designed to strengthen the controls associated with the aid package being discussed for Pakistan. But the two legislators were warned by a high-level State Department official that it might result in an aid cutoff for Israel. The measure was quickly withdrawn.[2]

According to published accounts, it was toward the end of the Suez crisis of 1956 that the Israelis received from the

[1] Hedrick Smith, "A Bomb Ticks in Pakistan," *The New York Times Magazine*, March 6, 1988, pp. 76, 104, 106.

[2] Judith Miller, "2 in House Withdraw Atom Curb," *The New York Times*, Dec. 9, 1981, p. A8.

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French the commitments they needed to help them launch a nuclear weapons program.[3] The crucial period in which the Israelis crossed the threshold of weapons possession came in the 1960s.[4] During the latter years of that decade, Israel also started to receive significant amounts of U.S. military aid.

Successive Israeli governments have adhered to a public formula that they would not be the first to "introduce" nuclear weapons into the Middle East. In 1968 Yitzhak Rabin, then Israel's ambassador to Washington (and currently defense minister), spelled out that this meant Israel would not be the first to test such weapons or to reveal their existence publicly. He notably did *not* state that it meant that Israel did not possess nuclear weapons.[5] In 1981, after Israel used some of its newly acquired American F-16 jets to bomb Iraq's nuclear reactor, Prime Minister Menachem Begin added to the standard formula an enigmatic rider: Israel would also not be the *second* state to introduce nuclear weapons into the Middle East. Since late 1986 Israeli leaders have discarded some of the remaining ambiguity from their posture. With respect to the Arab states' growing ballistic missile capability, Rabin warned in April 1988 that "we also have the ability to attack their populated areas to a degree that outstrips theirs many times over."[6]

What is known about the Israeli program and what is the record of the U.S. government in responding to it?

In the early years of their program the Israelis received much help from the French, who at that stage were still developing their own nuclear capabilities. The French supplied the Israelis with a reactor, located near the town of Dimona, constructed with a concealed underground work space.

A secret plutonium-extraction plant was due to be installed, but there was disagreement within the French government over this part of the project, so work proceeded only fitfully. By 1965, however, according to the authoritative account of French writer Pierre Péan, the Israelis were able to conduct their first plutonium-extraction tests at the underground facil-

[3] Pierre Péan, *Les deux bombes*, Paris: Fayard, 1982, pp. 82–85. See also "France admits it gave Israel A-bomb," *The Sunday Times* (London), Oct. 12, 1986, pp. 1 and 12.

[4] Péan, *op. cit.*, p. 120; Leonard S. Spector, *The Undeclared Bomb*, Cambridge, Mass.: Ballinger, 1988, p. 174.

[5] See William B. Quandt, *Decade of Decisions: American Policy Toward the Arab-Israeli Conflict, 1967–76*, Berkeley: University of California Press, 1977, p. 67.

[6] "Rabin on Saudi missiles, other issues," *Yedi'ot Aharonot* (Israel), April 1, 1988, [translated in *FBIS-NES*, April 6, 1988, p. 29].

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ity. By 1966 or 1967 they had acquired enough plutonium for their first nuclear weapon.[7]

In December 1960 U.S. intelligence discovered that the facility the French were constructing near Dimona was not, as Israeli Prime Minister David Ben-Gurion had described it, a textile plant, but a nuclear reactor. Ben-Gurion admitted that fact, but promised that Israel intended to use it solely for peaceful purposes. He agreed to allow scientists from friendly countries to pay periodic visits to the reactor, and the following May American scientists made the first such visit. But this visit, and those that followed it, were all tightly controlled by the Israelis: in no way did they constitute rigorous on-site inspections, and in 1969 the Nixon Administration decided to discontinue them. The visitors never gained any knowledge of the secret plutonium plant throughout those years.

In 1968 the CIA's Division of Science and Technology produced a report to the effect that Israel possessed a nuclear weapons capability, but it is alleged that President Lyndon Johnson instructed the Central Intelligence Agency not to pass on this information—even to his secretaries of state and defense.[8] That same year the Israelis were pressing hard for the Johnson Administration to supply them with their first delivery of F-4 Phantom jets, capable of carrying high explosives—or nuclear weapons. The secretaries of state and defense, Dean Rusk and Robert McNamara, were urging President Johnson that, if he acceded to the Israeli request, Israel should be asked in return to adhere to the NPT. This step would have forced Israel to open up all its nuclear facilities to international inspection, and thus might have stopped the plutonium production program in its tracks—or at least, slowed it down considerably.

In that election year, however, there was growing political pressure on Johnson to supply the F-4s to Israel with no such condition attached. In July the Senate passed a resolution supporting the F-4 delivery and in October Johnson announced that it would proceed.[9] His administration made no subsequent public mention of persuading Israel to sign the NPT. This 1968 decision to place the arming of Israel ahead of the interest of

[7] Péan, *op. cit.*

[8] See Shai Feldman, *Israeli Nuclear Deterrence; A Strategy for the 1980s*, New York: Columbia University Press, 1982, p. 216.

[9] William B. Quandt, *op. cit.*

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nonproliferation laid the basis for the subsequent policy of U.S. permissiveness toward the Israeli program. (If the intention was political, it was not, in the end, effective in saving the campaign of Democratic candidate Hubert Humphrey from defeat at the hands of Richard Nixon.)

Over the years that followed, the CIA repeatedly produced reports that appeared to chart Israel's nuclear progress, briefing them in secret to the leaders in successive administrations and on Capitol Hill. However, no "punitive" action was taken against Israel.[10]

The post-1967 period, when the U.S. government first decided to turn a determinedly blind eye to the evidence of Israel's nuclear program gathered by its own intelligence agencies, coincided with a period when the United States was increasingly coming to view its relationship with Israel in strategic terms, rather than—as previously—as a primarily moral commitment. During the Carter Administration there was some moderation of this trend to view Israel through the prism of its strategic usefulness. But the "strategic" trend once again became dominant after Ronald Reagan became president in 1981.

When Jimmy Carter entered the White House in 1977, his administration laid great public stress on its opposition to the spread of nuclear weapons. However, a high official in his administration, Under Secretary of State Lucy Benson, was the first U.S. official to hint publicly that under certain conditions the administration might tolerate not merely Israel's possession of nuclear weapons, but possibly even its demonstration of the same in a test.

In what was clearly a reference to Israel, Benson told a congressional hearing, "There could easily be times when, regardless of what a country did, we might want to go ahead with military assistance for other quite separate reasons." Senator John Glenn asked, "Do you mean even if it set off a nuclear explosion?" Benson replied, "Yes, I could see how that might happen . . . " Glenn then agreed with the under secretary that "in a situation like that the President should have some flexibility."[11]

The pattern of congressional encouragement of the admin-

[10] Shai Feldman, "Superpower nonproliferation policies," in *The Soviet-American Competition in the Middle East*, Steven L. Spiegel et al., Lexington, Mass.: Lexington Books, 1988, p. 98.
[11] *Ibid.*, p. 99.

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istration's permissiveness toward Israeli nuclearization continued over the following years. In 1979 the Senate rejected, by a vote of 76 to six, an amendment that would have conditioned the special aid package that Israel received after the conclusion of the peace treaty with Egypt on Israel's signing the NPT. In 1981, as noted above, Congressmen Solarz and Bingham withdrew their provision that aid should be cut off from any country found to be developing nuclear weapons, after realizing that this might include Israel.

Meanwhile nuclear weapons production in Israel was continuing, taking advantage of nuclear materials and other essential items whose illegal acquisition from the United States was reported over the years.[12] In late 1986 a former technician at Dimona, Mordechai Vanunu, leaked to the London *Sunday Times* photographs and a wealth of technical details concerning the work at Dimona.[13] Vanunu, whose motivations for going public apparently included a pacifist critique of the morality of nuclear weapons production, confirmed publicly for the first time the presence of the plutonium-extraction plant. From the figures supplied, nuclear experts calculated that Israel then had enough plutonium for 100–200 warheads. U.S. experts, using the same figures, would calculate only that the flow-rates mentioned by Vanunu might have allowed Israel to stockpile 50–60 warheads by 1986. But even that range, and the other details Vanunu supplied, indicated that the Israeli program was much further advanced than had been originally thought. However, no voices were heard from either the U.S. administration or Congress calling for any reaction to these startling disclosures.

The Israeli secret services confirmed the importance of Vanunu's evidence when they managed to lure him into their custody and prevent him from releasing more information. He was tried in a closed Israeli court on charges of espionage and is currently serving an 18-year prison term. The other noteworthy part of the Israeli reaction was that, even while Israeli officials tried to deny the truth of Vanunu's revelations, they also sought to make the best use possible of them, in order to strip away a few more layers of the ambiguity in which they had veiled their deterrent capability.

[12] Leonard S. Spector, *op. cit.*, pp. 175 and 178–79.

[13] An analysis of the technical details revealed by Vanunu appears in Frank Barnaby, *The Invisible Bomb*, London: I.B. Tauris, 1989.

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If Vanunu is to be believed, during the 1980s Israel was able to move from fission weapons to some form of potentially far more destructive fusion weapons. Work on potential delivery systems also continued throughout the decade. In the mid-1980s the Israelis reportedly emplaced their nuclear-capable Jericho-2 missiles in hardened silos. In September 1988 they displayed yet another increase in their delivery capabilities when they mounted their first satellite launch: a locally developed three-stage launch vehicle successfully boosted the Israeli-built "Offeq-1" (Horizon-1) satellite into orbit for an experimental journey that lasted slightly longer than the one month planned.

That launch had two important strategic implications. It meant that Israel might be able in the future to maintain a satellite-reconnaissance capability over a potential Mideastern battlefield, reducing its reliance on both ground-based listening posts and American information. It also meant that Israel had the launch capacity to deliver a warhead of limited size anywhere on the globe. The launch came only days before the United States was to begin its first round of discussions with the Soviet Union on the proliferation of missile technology in the Third World. But U.S. officials did not—as some Israelis feared they might—express any chagrin at Israel's display of its capacities in this regard.[14]

The Israeli advances of the 1980s came during a period when the U.S. administration once again viewed Israel in a strongly "strategic" light. The Reagan Administration's first attempt to conclude a formal U.S.-Israeli agreement on strategic cooperation came to naught in December 1981, but by the fall of 1983 a follow-up agreement was in place that provided the basis for strengthened strategic links over the years. Many of these links were in the field of conventional war-fighting capabilities. But in 1986 Israel became the third foreign country to join the United States in conducting research on the Strategic Defense Initiative: Israel's role has been in the field of antitactical ballistic missile systems. Many of the technologies involved in the ATBM program have direct relevance for Israel's own offensive missile programs.

One bitter by-product of the long-standing American permissiveness toward Israel's nuclear policy has meanwhile been

[14] See, for example, Ze'ev Schiff, "The reactions that will follow the launch," *Ha'aretz* (Israel), Sept. 20, 1988, p. 13, [translated in *FBIS-NES-88-183*, pp. 18–19].

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to increase the incentive for other Mideastern states, which feel threatened by Israel's nuclear capability, to develop their own form of deterrent. In most cases, this deterrent has taken the form of chemical weapons, though there have been periodic reports of Arab states seeking a nuclear capability as well. These developments have only decreased the overall level of security in the Middle East, which remains a region vital to U.S. national interests.

## V

What are the arguments for and against the United States' taking effective action in cases of nuclear proliferation like those of Pakistan and Israel?

Three types of arguments are made against adopting a firm position. The first is that other strategic interests may be accorded greater priority in American foreign policy than that of blocking the spread of nuclear weapons. In the case of Pakistan, both Congress and the Carter and Reagan administrations subordinated the interest of nonproliferation to that of hampering Soviet aggression in Afghanistan. And in the case of Israel, the interest of nonproliferation was subordinated to that of arming a friendly state surrounded by hostile neighbors.

A second argument is that, given the difficulties involved in achieving success in certain cases, it may be wiser not to be seen even to be trying, since too public a failure might undermine the nonproliferation regime.

This argument reveals a fundamental pessimism concerning the result of a test of wills on this issue between the United States and, say, Israel or any other determined proliferator. In many cases, however, a firm U.S. definition of nuclear redlines *has* proven successful, for example, with regard to Taiwan and South Korea. So the pessimistic mind-set is not universally applied.

In addition, when our government is permissive in early stages of proliferation, the political cost of protesting at later stages is much higher than if the U.S. position had been firm from the outset. By turning a blind eye to Israel's nuclear program in the 1960s the United States allowed Israel not only to continue building up its stockpile unimpeded, but also to lay the basis for the further advances of the 1980s.

A third argument is that U.S. activism will unfairly penalize the United States to the benefit of other international players.

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This argument, however, betrays a misunderstanding of the universal nature of the threat posed by the spread of nuclear arms, and it denigrates the real willingness shown by other governments (both friendly and less so) to help resolve their share of the global proliferation problem.

During the Reagan Administration, some mix of these arguments seems to have proven convincing in some cases to the administration and Congress alike. Concerning Israel, proliferation expert Leonard Spector has written that "efforts to curb Israel's nuclear advances, according to Reagan Administration sources, have been essentially dropped from the U.S. agenda of significant issues to be addressed in bilateral negotiations with Israel."[15] The judgment that Israeli analyst Shai Feldman made in 1988 concerning U.S. policy toward Israel and Pakistan was that "except for some very brief periods, nonproliferation objectives have not been at the top of the United States' national agenda. Competing interests, as well as considerable pessimism regarding the ability to stop proliferation, have resulted in recurring compromises in U.S. nonproliferation policy."[16]

## VI

It is time to end the erosion of our country's position on this vital question of nuclear proliferation. Fortunately, the present international situation provides some valuable opportunities to make real gains in shoring up the global nonproliferation regime.

The arguments that made building the NPT regime seem worthwhile in the 1960s have lost none of their relevance. Quite the contrary. Those arguments centered on the uniquely destructive properties of nuclear arms and on the international linkages that give any incident of nuclear use the potential to catapult all humanity into a global nuclear holocaust. However remote this threat may seem, it must still, like all matters in the nuclear realm, take precedence in American national strategy over all lesser considerations.

Since the 1960s further advances have been made in delivery-vehicle technology, guidance systems and the miniaturization of warheads. All these advances have multiplied the catalytic potential of nuclear explosions. In that same period the

[15] Leonard S. Spector, *op. cit.*, p. 189.
[16] Shai Feldman, *op. cit.*, p. 104.

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declared nuclear powers have moved (albeit unsteadily) toward controlling the size of their arsenals and improving their command-and-control systems and mutual communications. But meanwhile four countries—Israel, India, South Africa and Pakistan—have made significant advances that place them in a position to trigger a nuclear war, especially since these four states all exist in unstable parts of the world and face threats to their security.

There are two other major causes for concern. The proliferatory states are by definition not constrained by the NPT regime from undertaking any secondary proliferation that they might see as in their interests. In this connection, there is some evidence that the Israelis (having acquired much of their expertise from the French) may have shared some nuclear know-how with South Africa and even with prerevolutionary Iran.[17] When the declared nuclear states turn a permissively blind eye to individual instances of proliferation, they lessen their influence over onward, secondary proliferation.

The second cause for concern stems from the fact that the acquisition of nuclear weapons by any power gives it new leverage over existing nuclear powers, by virtue of the unique catalytic potential of nuclear arms. Within the "club" of declared nuclear powers, these complex international leverages have been partially regulated by a series of treaty commitments, as among the NATO members, and arms control and risk-reduction agreements, as between the superpowers. Since the new nuclear states have not had their status officially recognized, their leverage remains unregulated—and can be applied in any direction. For example, the Israelis' use of barely veiled threats to rely on their nuclear weapons has become a part of their periodic bargaining for conventional arms shipments from the United States.[18]

## VII

A combination of circumstances signal that now is a good time for the United States and other governments to take serious steps in the fight against nuclear proliferation:

—Most important, the reduction in U.S.-Soviet tensions

[17] See James Adams, *The Unnatural Alliance*, London and New York: Quartet Books, 1984, chapters 8–10; and Vol. 19 of the Iranian students' series of reconstructed CIA files, minutes of various meetings between Israeli and Iranian officials, July 1977 through June 1978.

[18] See, for example, "Israel needs more U.S. aid to spur economy and immigration, economist says," *Christian Science Monitor*, Jan. 20, 1987, pp. 9 and 14.

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means that we now have a chance to act more effectively on our concerns over nuclear matters—both by reducing our own arsenals and through efforts to curb horizontal proliferation to other nations.

—In the Middle East the Israelis have been engaged in a serious debate over their national security doctrine since the mid-1980s. The Palestinian uprising has prompted U.S. moves toward addressing that part of Israel's security equation through political means. At the same time, some Israelis have started breaking the previous taboo on considering how a political settlement might be reached in their more complex military confrontation with Syria. Israel's demonstration of its impressive satellite capability meanwhile enables Israelis to think of new alternatives to keeping forces in all the occupied areas.

—In South Asia the generation change that has occurred in the Indian and the Pakistani leaderships, as well as Pakistan's move back toward democracy, give cause for hope that new formulas for control and reduction of those two countries' arsenals may be achieved. (A further easing of tensions between India and China might also make it possible to think of de-linking the nuclear ambitions of India from those of China.) Already, Prime Ministers Benazir Bhutto and Rajiv Gandhi have formalized their countries' undertakings not to destroy each other's nuclear facilities. This should be seen as a helpful first step. But if it is not to result in these two states' reliance on mutual deterrence backed up by existing clandestine nuclear stockpiles, India and Pakistan must also be moved toward real nuclear disarmament.

—In southern Africa the Soviet-Cuban disengagement from their former positions has defused much of the military tension. The apartheid state is left with enormous problems to resolve, but nuclear arms are of little use in most scenarios.

Thus, in those parts of the globe where states have accumulated secret nuclear potential, there is a real chance that the firm pressure of the United States and other outside powers can succeed, in the years ahead, in freezing and subsequently dismantling these arsenals. There is no longer any excuse for deep pessimism.

What can the Bush Administration do to remedy this situation? With respect to Israel, Pakistan and the other nuclear

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"mavericks," it is clear that measures to freeze and reduce their nuclear stockpiles should be undertaken hand-in-hand with other measures designed to reduce the security threat these states perceive. Such measures would include renewed efforts to reach political resolutions of outstanding regional conflicts, as well as steps toward reducing the threat from other non-conventional weapons such as ballistic and cruise missiles, and chemical and biological arms. Progress in these other areas would clearly not in itself suffice to make the threat of nuclear proliferation go away: this latter bull must also be grasped firmly by the horns.

With respect to Pakistan, there is the distinct possibility that, as the Afghan confrontation winds down, our government may place the nuclear issue effectively back on the bilateral agenda. Before President Reagan left office, his administration reportedly informed Congress that the United States would be unlikely to repeat at the end of 1989 the certification it gave in November 1988, to the effect that Pakistan did not "possess" a nuclear device.

If this certification is not forthcoming, then all U.S. aid to Pakistan would be barred under the congressional provision of 1985. The prospect of an abrupt discontinuation of U.S. aid would come as a shock for Prime Minister Benazir Bhutto. But the Bush Administration should use the months that remain before certification is required to negotiate the best deal it can with Pakistan, in which a certain amount of aid would be given in return for Pakistan's opening up its sensitive nuclear facilities to real IAEA-type inspections. (And U.S. aid should not, at this stage, include the sale of civilian nuclear reactors as the Pakistanis have reportedly proposed.)

Over the longer term, U.S. incentives to the Pakistanis should be similarly structured with the aim of encouraging Pakistan to cease acquisition of further nuclear-relevant material, turning over sensitive facilities to civilian production (or shutting them completely), and verifiably dismantling its nuclear weapons capabilities.

Fire-breaks—against testing, against formal "possession," against acquisition of relevant technology—should remain in place and be strengthened. More important, they should be discussed and applied in a straightforward manner, without any of the double-talk that served to mask the Reagan Administration's damaging downgrading of the nonproliferation effort.

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Multilateral efforts that would deal with South Asian security on a region-wide basis should be stepped up. These efforts could be carried out alongside matching efforts on the part of the Soviets and the Chinese, or in coordination with them. The Soviets would be responsible for undertaking a policy toward India parallel to the policy that the United States carries out with Pakistan.

All our best efforts will lose their effectiveness, however, if they fail to deal with Israel. If we have a commitment to a global nonproliferation regime, then we cannot let any one country claim exception to it. Not even Israel. In the nuclear age, as the superpowers with their huge arsenals have been forced to admit, human survival is truly a mutual undertaking. No single state can seek survival by going it alone. A way must be found for Israel, like the other holdouts, to be brought into the NPT regime.

President Bush has given many public commitments to Israel's long-term security; he is thus in an excellent position to lead this effort. A first step will be to place the subject of nuclear proliferation firmly back on the bilateral agenda with Israel. He and his officials should spell out to the Israelis, in private and if necessary also in public, that the United States has a deep long-term commitment to the NPT regime, and that our commitment to Israel's security is entirely consonant with this. He should clearly inform them that the U.S. government intends to pursue the twin goals of resolving the Arab-Israeli dispute through political means and strengthening the worldwide nonproliferation effort, without in any way compromising Israel's real long-term security. Finally, the effort to draw down Israel's nuclear capabilities should be matched by efforts to reduce the Arab states' growing arsenals of missiles and chemical weapons.

The Bush Administration should recognize that a new, more aggressive approach is needed in order to freeze and then turn back the international spread of nuclear weapons. The president should make the American people aware of the present dangers of nuclear spread and of the consequent threats to our security. But President Bush need not be a prophet of doom: he is in the lucky position of being able to deal with this problem with more than just rhetoric.

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*Ivan L. Head*

# SOUTH-NORTH DANGERS

The North has discovered the South any number of times; we have given it—or parts of it—a variety of names (sometimes in error), and have defined its interests almost always from our own exclusive perspective. Curiosity, greed, fear, evangelic fervor and the zeal to civilize; the motivation for contact or disengagement has ranged from the loftiest to the basest. Northern observers have generally chosen the more generous interpretation; Southerners have less often shared that point of view.

North-South economic linkages have proved the most enduring and have taken several forms. Trade has been foremost. Trade generally consisted of commodities from the South—spices, fibers, precious metals and gems, beverages, slaves, sugar and tobacco; and manufactured goods from the North—trinkets, cloth, weaponry, implements and machinery. During the Industrial Revolution a global pattern of trade evolved; not vis-à-vis the Southern trading partners, which was assumed, but against Northern competitors. This was followed by the North's need to protect and secure its interests, initially against other Northern rivals and adversaries, local ruling classes and occasional brigands, and later against religious sects and sometimes entire local populations. From time to time the North settled segments of its surplus population in the South: sometimes forcibly, as to America and Australia, and other times peacefully, as to Canada and parts of Africa.

The direction and the result of these settlements were always the same: from North to South, infrastructure was installed, principles of governance were introduced and technologies were transferred. It was assumed that the North's techniques and technologies were superior, relevant and sustainable. Much more frequently than admitted, these assumptions have proved false.

In North-South terms, the year 1945 was a turning point

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both in activities and in expectations. Throughout the South, long-festering independence movements burgeoned into prominence. In the North, where interests are increasingly defined in terms of security and stability, a sterile bifurcation began to divide East and West. Not surprisingly, the definitions of security and the criteria for stability differed when viewed from the North or from the South. Of the human attributes, arrogance has not been absent in either hemisphere. Humility, however, has seldom been present in the North when it looks South. The absence of this trait, unless overcome, will continue to weaken the North both in image and in substance and will be critical to Northern welfare as the century turns.

The North-South relationship is a diverse and confusing web. To understand, to respond effectively and to ensure a constructive outcome is as demanding a task as any that faces humankind. It is demanding not only in terms of substance, but also because of attitudes well entrenched in both North and South. It is moreover the most important task, since it subsumes—or inevitably will subsume—all the others. We in the North may be most in peril (as those in much of the South have long been) because the momentum of events impacting upon us is in excess of our willingness to respond. If we are not willing to become aware, to change our unsustainable attitude of superiority, and to take action to reduce dramatically in the South the broad incidence there of absolute poverty, then our own economic welfare, our own social tranquility and our own political stability will not simply be at risk—increasingly they will be in jeopardy.

The phrase "North-South relations" was reportedly first used in the late 1950s by Sir Oliver Franks, then British ambassador to the United States. In the three decades since, the definition of the term has become as elastic as the relationship it describes has been turbulent.

This has happened, perhaps, because of the multitude of variables encompassed in the phrase: the formation of 100 or so newly independent states; the desire on the part of governments rich and poor that broad disparities in wealth be reduced; the hard evidence in a variety of places that violence is still all too often regarded as an acceptable option; the stark reminders of the strengths of tribalism, feudalism and fundamentalism; and the ubiquitous obstacles to change—lack of awareness, absence of preparedness, inadequacy of commitment, retention of privilege.

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Though imprecise, even inaccurate, the term "North-South" is resonant of human expectations and by far richer in its range of connotations than its contemporary, "East-West."

The notion of "development" has been consistently present in those connotations. The word itself is now permanently associated with the nonindustrialized, often recently independent countries. Gradually, the concepts of "economic advancement and social security" included in the 1941 Atlantic Charter by Churchill and Roosevelt, and reformulated in the U.N. Charter in 1945, have come to occupy a central position in international relations, but without a uniform interpretation. Politicians, popes, academics and journalists have all put forward definitions and proposals, some quite contradictory.

II

Policymakers in the immediate postwar period grappled with development issues framed by the experience of the colonial era and the anxieties of an increasingly polarized world. Initial development efforts emphasized, on the one hand, flows of technical assistance and improved market access for primary commodities and, on the other, efforts to bolster friends and strategically located countries against the perceived threat of communist aggression or subversion. Environmental awareness was generally absent. In all too many instances there was a failure to respond effectively to the underlying social and economic problems facing the developing countries. In the absence of accurate diagnosis, the tendentious policies of the industrialized countries were not surprising. In particular the rapid and vigorous employment by Europe of generous U.S. assistance in the late 1940s led to assumptions that similar programs in developing regions would be equally successful. The Marshall Plan was not applicable, however, to the dissimilar circumstances of the developing countries.

The turmoil of governments in Western Europe in the seventeenth and eighteenth centuries, as they grappled with governance issues, appears minimal compared with the plight of the new postwar states. In the twentieth century, modern communications technologies have acquainted even the most remote communities with a knowledge of the much higher standards of living enjoyed elsewhere. Alternative social and economic images are projected and debated with the ferocity of the antagonists within Europe during the Reformation, but today's images are joined by an excess of weaponry and an

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intrusion of ideology that turns local dissidents into pawns on a global chessboard.

As they attained independence, developing countries found themselves wooed by East and West, not always in benign fashion. Many were alternately confused and exhilarated by the apparent choices open to them. To governments ill-equipped to shape their own societies, and impotent to respond to such indignities as the Hickenlooper Amendment, which required suspension of U.S. assistance to countries that nationalized U.S. property without speedy compensation, the planetary struggle for hearts and souls appeared in many instances as a bargaining card.

The development debate soon transformed itself from local social and economic imperatives into broad political divisions argued out in regional and interregional assemblies. Western politicians saw that more was involved here than the provision of rural health clinics or the importation of unprocessed primary commodities. The North-South relationship was no longer an engagement of cooperative activity; it had become a battlefield in which human ideals, vested interests and concepts of strategic security tussled and jousted. Throughout the 1950s the legal basis for U.S. development assistance was security—The Mutual Security Act. South Korea and Taiwan became major aid recipients, and Western financing for the Aswan High Dam was withdrawn when Egypt presumed to accept Soviet military assistance.

Then the United Nations declared the 1960s a "Development Decade," and the Organization for European Economic Cooperation became the Organization for Economic Cooperation and Development (OECD). The creation of the United Nations Conference on Trade and Development (UNCTAD) in 1964 eloquently signaled that the South regarded its plight as one anchored in the current international economic structure. "Trade, not aid" became a rallying cry, one which led to the formation of the Group of 77 and a determination by the nations of the South that they would form and maintain a unified bargaining position. If the North controlled the economic agenda, the South moved to assert the political agenda.

Throughout the 1970s, with mixed results, that agenda remained. The General Agreement on Tariffs and Trade (GATT) added Part IV to accommodate the particular problems of developing countries, and UNCTAD produced a resolution on a generalized system of preferences that was later adopted by

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OECD members. The strident call for a New International Economic Order issued from a nonaligned summit in Algiers in 1973 on the eve of the success of the Organization of Petroleum Exporting Countries in quadrupling oil prices within a year.

The intensity of the North-South debate escalated during the two special sessions of the General Assembly, and led to efforts to mute the language and restore some orderliness to the dialogue. The World Bank and the International Monetary Fund introduced new facilities to meet the needs of those countries grievously wounded by the rise in oil prices. The Common Fund emerged in mid-decade as the dominant demand of the South, but diminished in importance as its complexity proved to be unmanageable and as the attention of the world turned increasingly to the fate of the low-income, oil-importing countries. The South, wearied by the reluctant responses of the North, turned to South-South cooperative initiatives but found its unity shattered with the second oil shock of 1979.

At the end of the 1970s the Brandt Commission signaled alarm that Northern interests were imperiled by the inability of the South to better meet its needs, but it was unable to attract the attention of the new U.S. administration. The 1980s ushered in the great debt crisis of the developing countries, with coincidental circumstances of extreme drought and famine in much of Africa, and unprecedented economic vitality and export performance in the newly industrialized countries of Asia. The Brundtland Commission warned that, in the absence of sustainable development practices, the planet would lose its life-support abilities.

In 1989 it seems clear that the governments of the North have not yet been able to muster resolve and effective response to these bewildering circumstances.

There are a number of reasons. First, much as we in the North lose patience with our efforts to eradicate pockets of poverty in our midst and turn our attention elsewhere, the North seems unable to muster the stamina needed for the lengthy period of transformation in the South. The nations of the North evolved over many centuries as they tackled problems associated with the absence of infrastructure, inadequate education and social diversity. The struggles in the South are no less challenging and require a continuing commitment.

Second, arrogance and ignorance combine to prescribe inept

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remedies. Technologies that are inappropriate and ineffective continue to be transferred from North to South. When they fail, the South is blamed. Third, outrageous abuses of human rights, corruption and privilege in some developing countries are ready excuses for reluctance to respond adequately anywhere. And fourth, a latent fear of competition from low-wage producers deters full cooperation. In the end, evolving economies are often denied access to Northern markets, or are forced to absorb subsidized agricultural produce from the North at the expense of their own farm sector.

III

As in the arcane and isolated world inhabited by arms controllers, so in the supercharged atmosphere of development, sheer quantity of activity can leave the false impression of accomplishment.[1] In most developing countries individual standards of living have dropped, political instability has increased, and the likelihood of sustained economic growth has now diminished. From the perspective of hundreds of millions of inhabitants of developing countries, life remains a wretched, uncertain prospect. One out of five persons lives in "absolute poverty"—the World Bank's definition of the state of those persons suffering from malnutrition "to the point of being unable to work." For all too many, the likelihood of a dignified, fulfilling livelihood is as distant as it was a generation earlier.

North-South relations are now in a state of disequilibrium, which makes the status quo unsustainable. The most obvious of the disequilibriums are environmental degradation, economic uncertainty, social unrest and political instability.

*Population.*

On July 11, 1987, the world's population passed the five-billion mark. In the first full year following, a net growth of another 83 million took place, an increase greater than the entire population of Mexico. The size of the planet did not increase, nor will it. In some respects, the planet has become smaller. The amount of arable land is actually decreasing. In

[1] In a number of sectors, accomplishment has resulted. In the 24-year period 1960–84, the average annual per capita growth of GDP for all developing countries, excluding China and the oil-exporting countries, was 2.8 percent. If those countries were included, the average would be 3.4 percent. In that same period, remarkable gains were recorded in literacy, in reducing infant mortality and in increasing life expectancy. Cereal grain production increased; smallpox was eradicated.

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those same 366 days, arable land diminished by 8,700 square miles—more than twice the size of the island of Jamaica.

From prehistory until about the year 1000, the world's population did not increase by much. In earliest times, life was so precarious and food supplies so unreliable that a rough balance was maintained between births and deaths, notwithstanding an undoubtedly high fertility rate. The introduction of agricultural practices around 8000 B.C. lent a greater certainty to food supply, but for a long time it was largely offset by recurring crises of other sorts—plague, war, etc. Population growth was modest for many centuries—from about 300 million at the time of Christ to some 800 million in the mid-1700s. The doubling took about 1,500 years. Equally important is the fact that the rate of growth was approximately the same in all populated regions of the world.

From about the year 1850 onwards, the rate of population growth immensely accelerated. Mortality decreased with progress in science and technology. The next doubling period was reduced by 90 percent; the world required only 150 years to grow from 800 million to 1.7 billion in 1900. That acceleration has continued. By 1950 the figure had reached 2.5 billion; by 1987, five billion: doubling the world's population, which had once taken 1,500 years, had been accomplished in 37 years. The World Bank states that the best estimate for the year 2000—just 11 years from now—is an increase of 1.2 billion, for a total world population of 6.2 billion at the close of the century.

Those figures are difficult to digest. They work out to an annual increase of close to 100 million persons. One hundred million is about the population of Bangladesh. From now to the turn of the century, then, the world's population will grow by the equivalent of one new Bangladesh every year. Accepted projections distribute the population for the year 2000 as 4.9 billion for the developing countries and 1.3 billion for the industrialized countries. This is disequilibrium.

In increasing numbers, from countries far and wide, the wretched and the persecuted seek entry into the industrialized countries in search of refuge and opportunity. Neither physical barriers nor bureaucratic labyrinths can stem this human tide. The only effective constraint is hope and security within the developing countries. The problem is rapidly worsening, however, by reason of the changing demographic composition.

By the year 2000, 51.2 percent of the world's population

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will be urban. Forty-five of the 60 largest cities will be in the South, 18 of them larger than ten million. While populations are aging in the North, the reverse is the case in the South. The residents of Southern cities will be overwhelmingly young. In the developing countries, 35 percent of the total population will be under the age of 14. In ever-increasing numbers these youths find themselves on the streets: abandoned, uneducated, unemployed, alienated from any societal norms, without any loyalties except to their own gang or their own ideology or their own religious zealotry.

The rural populations find themselves forced to degrade the environment in an incessant quest for food, firewood and forage. Planetary forest cover was reduced from 25 percent of the earth's surface to 20 percent in two decades, according to the Brandt Commission. Today, the Brundtland Commission estimates, for every tree planted in the tropical regions, ten are destroyed; in sub-Saharan Africa, the ratio is one to 29.

*Economic Wealth.*

The broad interstate disparities in wealth and income have long been recognized. A new factor has recently reemerged: financial transfers from South to North. Reemerged, for it was also a common occurrence in earlier colonial periods.

Capital flows to developing countries fall into two broad categories, private and official. The latter may be on concessional or commercial terms and found in both bilateral (national) and multilateral (international) institutions. Funding of these kinds is as targeted as is the case within industrialized countries, and takes several different instrumental forms: export credits, direct investment, grants and loans.

Until recently, the volume of capital flows to and from developing countries represented only a small proportion of the international total. The composition of those flows has varied considerably. Prior to World War I, the only countries then independent but regarded as developing were in Latin America. Virtually the only capital flows to the South were from private sources; overwhelmingly they were employed to finance the construction of railroads and utilities. In the interwar period, government borrowings became common, and sometimes loans were obtained to finance commodity stocks in the face of falling prices. With the Great Depression came defaults often spurred by protectionist trading policies that

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effectively prevented debtor countries from earning export-generated surpluses with which to service foreign debt.

The Bretton Woods Conference in 1944 sought to address the frailties of the international system through the creation of the World Bank and the IMF. A third, critically important institution, the proposed International Trade Organization, failed to emerge.

In the post-World War II period, financial flows to the poorest of the developing countries began to emerge from the new multilateral sources, initially from the International Development Association, then from the new regional development banks. With trade liberalization, both trade finance and private direct investment increased. The IMF began to finance restructuring efforts.

The oil-shock-induced current account deficits were in most instances financed from the unprecedented liquidity in the oil-producing countries, increasingly through the intercession of private banks. Since 1970 developing countries' external liabilities of all kinds, including obligations to the IMF, increased significantly. The current total is in excess of $1.3 trillion, the greater part of it denominated in U.S. dollars. Debt service payments have risen more than tenfold in the same period. Rising interest rates have resulted in interest payments accounting for more than 50 percent of debt servicing. What was once a condition of illiquidity in much of the South has now become a condition of insolvency.

The unprecedented exposure of the private banks has considerably reduced fresh credits. This—combined with the successful, though painful, servicing efforts of the majority of debtor countries—has led to a sharp reversal of the earlier transfers, with negative net transfers recorded successively since 1983. In 1988 the net negative flow (i.e., from South to North) from the 17 most highly indebted countries was $31 billion. The figure for all developing countries last year was in excess of $43 billion.

These negative flows are particularly evident in the World Bank and the IMF. The World Bank shifted from being a net provider to the tune of $2.6 billion in 1985 to a net taker of $350 million in 1987. Net flows of resources from the developing countries to the IMF increased from $2.7 billion in 1985 to $8.6 billion in 1987. However, the recently agreed upon credits from the IMF are desperately needed. Continuing net financial transfers of this magnitude from the developing coun-

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tries to the industrialized countries and the international financial institutions are not sustainable. The increasing structural dependence of Northern countries upon this type of transfer is dangerous. This is disequilibrium.

A factor contributing to the growing magnitude of this imbalance is found in the terms of trade between developing and industrialized countries. It is more acute in some regions than others. The Economic Commission for Latin America and the Caribbean found that terms of trade for Latin American countries deteriorated 16.5 percent between 1980 and 1985.

Relative to gross domestic product, the external debt of the developing countries in the western hemisphere was 44.5 percent in 1988 (up from 34.5 percent in 1980); in Africa, 54.4 percent (up from 28.3 percent); and in Asia, 26.4 percent (up from 17.2 percent).

In the same period the ratio of external debt to exports was 322.4 percent for developing countries in the Western Hemisphere (up from 183.6 percent), 237.7 percent for Africa (up from 92.5 percent) and 81.8 percent for Asia (up from 72.1 percent). The economic downturn in the South in the past seven years has led to the loss of 130,000 Canadian jobs and some $24 billion (in Canadian dollars) in export revenues. In the United States, diminishing exports to Latin America alone has meant the loss of 340,000 jobs.

*Scientific Activity.*

In the late 1960s the inquiries launched by the Pearson Commission revealed that expenditures committed to research and development in Latin America, Asia and Africa lagged far behind the outlays in the industrialized countries. An earlier U.N. study estimated, on the basis of admittedly uncertain data, that of all the funds committed to R&D worldwide, less than three percent were expended in the developing countries. Expenditure at these levels means that the indigenous scientific communities are inadequate in size even to identify problems, let alone deal with them effectively across the entire spectrum of natural and social sciences. In an age where technological advances are occurring with breathtaking speed, the gap in capacity between North and South is rapidly widening.

This lack of capacity is particularly distressing in light of the incontestable fact that technology, throughout history, has been the most effective of all agents for change. Contrary to popular opinion, the knowledge now available with respect to

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agricultural production, primary health care, pedagogy and economic analysis is not simply transferable; rather, it needs to be understood, then revised and absorbed by developing countries in order to be utilized in a geographically and culturally sensitive fashion. Developing countries must acquire the means to pursue the newer biological and physical science technologies and adapt them to their own needs. In their absence, the employment and benefit opportunities that these technologies promise will not be obtained.

UNCTAD figures show that the distribution of scientists and engineers worldwide is overwhelmingly concentrated in the North. The rate per 10,000 inhabitants is 95 in the developing countries compared with 285.2 in the industrialized market economy countries and 308.2 in the East European countries. That average figure of 95 for the South, not surprisingly, is not evenly distributed. The range is from 157.6 in Asia to 9.6 in Africa. The figure for technicians is even more dramatic, revealing a difference between North and South of an order of magnitude of ten.

The numbers of scientists, engineers and technicians engaged in R&D in the developing countries is less than 1.5 per 10,000 inhabitants, compared with 16.6 in the market economies of the North. It follows that R&D expenditures as a percentage of GNP heavily favor the North. In Africa and Latin America the figure is only 0.2 percent, and in Asia 0.5 percent. These figures have shown no significant increase in the past two decades.

No form of public-sector investment has paid greater dividends over time than investment in people through education and training. Yet no investment is slower in its returns (an entire generation is needed at minimum) and few are more controversial; witness the funding crisis now faced by school boards and universities throughout the United States and Canada. Even the most enlightened of developing countries' governments are unable to muster and retain the political courage required to invest in the future while denying immediate needs of a basic kind to populations that are not, historically, acquainted with the advantages of education. In the result, these countries are condemned for the foreseeable future to pursue outmoded, low-valued economic activity of a kind that is increasingly irrelevant to world market demand. In human terms it means that the grip of absolute poverty will not be eased and that the scourges of malnutrition and ill health will persist.

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The impact of this disequilibrium takes many forms, many of them with negative effect upon the North: in the current Uruguay Round of GATT negotiations as developing countries resist the inclusion of services and proprietary knowledge in trade preferences; in the world's stock markets as they reflect the decreasing absorptive capacity of developing countries for imports of high-price, high-tech manufactures; in the health care systems of Europe and North America where tens of billions of dollars must be dedicated each year to life-support systems for incurably ill patients; in community concern over the spread of narcotics imported from regions unable to earn foreign exchange from any other economic activity; and in climate changes which are attributed in many instances to unsustainable agricultural practices and tropical rain forest destruction.

*Military Power.*

In contrast to the three previous sectors of activity, this one suffers not from neglect but from too active a stimulus. The issue is not so much that the North is enormously more richly endowed in military prowess than the South; it is that the countries of the South in many instances choose to mimic the industrialized states in placing high priority on defense-related expenditures at the expense of social needs. The result is a perverse imbalance. In the North are quantities of nuclear weapons, many mounted on long-range delivery systems of great accuracy, supported by highly trained personnel and sophisticated techniques for command, control and communications. These are weapons that are intended not to be used. In the South are increasingly available arsenals of conventional weapons ranging from rockets through aircraft and tanks to machine pistols, the specter of chemical weapons in some instances, much of this too often within the reach of inadequately trained or commanded troops. These are weapons that are intended to be used.

The sheer volume and transportability of modern weapons guarantees the porosity of once impervious membranes. No longer are deadly devices tightly held by national armed forces. The arsenals of heavy weaponry now in the hands of informal, sometimes unidentifiable, groupings is the equivalent of those in many legitimate armies. The firepower available to street gangs in some American cities exceeds that of World War II infantry platoons. And from both sides of the North-South

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divide, weapons and munitions make their way into the hands of terrorists.

The industrialized states are not entirely to blame for these circumstances, but neither are they entirely without responsibility. The conscious extension of East-West rivalries into the developing countries has certainly encouraged the latter to dedicate scarce resources to military activities. The perception that interregional rivalries are not only worthy of armed conflict but are also subject to military resolution (both assumptions highly questionable in most instances) is still another reason for high defense spending. The assumption that strong military forces are the best guarantee of a nation's ability to govern itself further supports these expenditures. Until relatively recently, the military academies of Europe and the United States were preferred training institutions for future leaders in the South, often with the active encouragement of Northern governments.

Not only have the military capacities of a number of Southern countries become considerable, including arsenals of increasingly potent weapons and delivery systems, but there has also been a tendency to rely on military force to the detriment of democratic processes. The combination of eager buyers in the South and willing sellers in the North has created a North-to-South weapons market of tens of billions of dollars annually, and the proliferation of an unhealthy community of arms brokers and military advisers.

Still another anomaly has emerged. The high cost of arms imports and the images of successful defense industries, projected unconsciously by such countries as the United States and France, have encouraged increasing numbers of developing countries to become weapons manufacturers. The result is an increasing South-South arms trade, and an economic dedication in the South to defense industries, to the disadvantage of the civilian sector. Some countries are more successful than others in their search for markets. The Jaffee Centre for Strategic Studies at Tel Aviv University has calculated that arms exports represent nearly 20 percent of all Israeli manufactured exports and some ten percent of all exports.

Even as Northern policy analysts express alarm at the current chemical and the emerging nuclear capabilities of increasing numbers of developing countries, there is precious little evidence that Northern governments are willing to address seriously the underlying social and economic conditions that have

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spawned subversive movements and prompted armed retaliation.

This form of disequilibrium—military disequilibrium—is not one that should be balanced by major increases in expenditures and activity in the developing countries. The entry into a developing region of new types or levels of weaponry can be as destabilizing as would be the case in central Europe, and undoubtedly more destructive. Yet the tendency is in that direction.

As East-West tensions relax in the NATO region, the possibility of a power vacuum in the developing countries into which the East-West conflict could move is distressingly high, despite the welcome assurances of the Soviet Union to the contrary. To military planners in the North and South, security is often defined in military terms with consequences all too evident in any number of developing countries where defense expenditures rival or exceed expenditures on basic social requirements, to the detriment—not the enhancement—of political stability and, often, of military security as well: Lebanon, Afghanistan, El Salvador, Ethiopia—the tragic list goes on and on.

## IV

The consequences of these and other disequilibriums are not always predictable, and sometimes not even discernible during real-time human observation. The political unit of time measurement in the industrialized democracies is four or, at most, five years. Events that mature on a longer cycle are seldom visible, and are certainly not influential, in the time frame occupied by decision-makers. Absent a political equivalent of time-lapse photography, governments of the North are unlikely to commit resources now to influence or control events in the distant future. If development is investment, as we encourage the developing countries to believe, we in the North offer little evidence of our own commitment to invest in the South's development.

Population, properly supported, is an immense natural resource and an incomparable source of accomplishment. Wretchedly poor people, however, without basic necessities or the hope of attaining them, turn upon themselves and upon their landscape with distressing results. Governments in North and South alike must acknowledge that population pressures are inconsistent with a wholesome environment and demeaning to human dignity, make a social contract impossible, and con-

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tribute to political and economic insecurity. Humane, effective programs of fertility control must attract sustained support, as must programs for the development and enhancement of individual human beings.

Sustainable economic growth is no longer severable as between North and South. Development assistance programs that are designed primarily for the benefit of the Northern donors—to reduce agricultural surpluses, to create employment in sluggish sectors of the economy, or to spur the export of military hardware—must be recognized for their inherent cynicism and their eventual ineffectiveness. In the interests of the North, the economic well-being of all countries must be accepted as a policy goal to be factored into all resource allocations.

Scientific activity must be encouraged within the developing countries to permit them to identify their own problems and gain the competence to resolve many of them. This approach demands programs designed to permit Third World scientists to engage in research of their own choosing in their own institutions on problems seen by them to be of priority. It demands as well a dedication to the sharing of knowledge and a utilization of the new computer and satellite technologies to permit a worldwide dissemination of information now in the public domain. The new biotechnologies promise to meet the food production requirements of many developing countries as well as utilize, for the benefit of North and South, the rich genetic biomass resources that can be cultivated only in the tropical regions and that have immense potential in so many sectors of application.

Military prowess in the North intended primarily for deterrence of worst-case fears has now surpassed the economic ability of either superpower. Technological spin-offs into the civilian sector have long since ceased to be cost-effective. Each new threshold in technology results in the release to Third World markets of massive quantities of powerful obsolescent weaponry. Governments North and South must accept that military prowess is not the normative indicator of accomplishment, that military prescriptions for the symptoms of socioeconomic distress reveal ignorance, not resolve.

What is needed is an attitudinal change of profound quality, of the kind that visits humankind only infrequently. To encourage a fresh perspective, we might borrow from Cornwallis' decision at Yorktown to order his bands to play "The World

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Turned Upside Down." We could begin by abandoning the misleading term "North-South" and substitute for it the now more accurate "South-North."

The South-North matrix is extensive and complex; it does not translate readily into simple patriotic imagery. It does not respond to simplistic "if only they were like us" solutions. It cannot even be defined in purely statistical terms. It is an embarrassment to Northern governments for it is at once a reminder of barren colonial legacies, compelling evidence of the failure of humankind to accomplish even a passing degree of social equity and proof that international arrogance is, in the end, hollow. And all the while, time is not on the side of the North any more than it favors the South.

Measured against the relentless momentum of current phenomena, indifference is not benign. Humility is needed, as is sustained dedication, if there is to be any reduction in magnitude of the disequilibriums now evident. The crafting of mutually beneficial dynamic relationships cannot wait for the emergence of a brilliant universal accord; it must emerge from a series of what Saburo Okita called "creative patchworks." In their absence, the present and growing imbalances threaten an uncontrollable Newtonian reaction of the kind prophesied a few years ago by François Mitterrand: "I am convinced that the balance between the two parts of the world, the industrialized nations and the others, will be one of the causes of the most serious tragedies at the end of the century, to be explicit, of world war."[2]

[2] Interview with James Reston, *The New York Times*, June 4, 1981.

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*Jeffrey Sachs*

# MAKING THE BRADY PLAN WORK

The Bush Administration has changed the direction of U.S. policies on Third World indebtedness. The new initiative, announced by Treasury Secretary Nicholas F. Brady in March 1989, calls on U.S. commercial banks to accept an orderly process of debt reduction, and calls on the international financial institutions—the International Monetary Fund (IMF) and the World Bank—to support this process through changes in their lending policies.[1] The plan implicitly recognizes that many debtor countries will be unable to repay their commercial bank debts in full, even if repayment is stretched out over time. The focus on cutting the debt burden contrasts sharply with earlier Treasury policies, under both Donald Regan and James Baker, which had held that eventually all of the commercial bank debt should be repaid on market terms.

The Brady Plan is a welcome shift, although to date the proposal's details have remained vague. The general mechanism for achieving debt reduction called for in the new plan is for creditor banks to agree voluntarily to reduce the value of their claims (either through a cut in principal or interest) in return for guarantees on the remaining portion of the debt. In the Treasury's view of the negotiations between the banks and the debtor countries, the banks are to be presented with a "menu of options" of debt reduction mechanisms. The banks will be free to choose one of these, but they may decide to hold on to the existing debt (perhaps with some commitment to make new loans) in the belief that they will be repaid eventually.

To encourage the banks to accept debt reduction rather than hold their debt, the IMF and the World Bank are called upon to help finance the guarantees, either by providing collateral on the reduced value of the debt or by giving debtor governments financial support to repurchase their debt directly for

[1] The Brady Plan was unveiled in a speech by Secretary Brady to the Conference on Third World Debt of the Brookings Institution and the Bretton Woods Committee, March 10, 1989, in Washington, D.C.

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cash. These international institutions have agreed to provide up to $25 billion over three years, and Japan has committed $4.5 billion.

The Treasury has avoided precise targets for debt reduction; the details are to come out of negotiations between the banks and the debtor countries, and in the course of specific market transactions. The Treasury is informally promoting four countries—Costa Rica, Mexico, the Philippines and Venezuela—as the first for early negotiations with the banks under the Brady Plan, although the Treasury has stated that any of 39 countries engaged in commercial bank debt restructurings could eventually qualify to participate. To qualify for debt reduction, the plan stipulates that debtor countries should be undertaking sound economic policies aimed at encouraging domestic savings and foreign investment and promoting the return of flight capital.

Thus, the Treasury is relying on "market" solutions, based on the "voluntary" actions of creditors, to bring about the debt reduction. "Market-based" debt reduction techniques are not new, but the extent of reduction has been limited. The promise of guarantees is intended to encourage debt reduction, but the specific terms and amount of guarantees will be crucial in determining the extent of reductions.

The Brady Plan is a first step in focusing on debt reduction as a way out of the debt crisis. Success depends on the amount of debt reduction and the structure of the negotiations to achieve it. There are reasons to doubt that the voluntary approach of the Brady Plan can deliver an adequate amount of debt reduction. Behind this doubt is the continuing debate over who will determine the allocation of burdens among the banks, the debtors, the international institutions and national governments.

## II

The new U.S. focus on debt reduction is rooted in the changing U.S. interests in the developing country debt crisis. Since the early 1980s the debt crisis has actually presented U.S. policymakers with two crises: a crisis of U.S. banks, which had lent too much to the developing countries, and a crisis of the developing countries, which had borrowed too much. Until 1988 concern over the banks took precedence; in 1989 the foreign policy concerns over the deteriorating situation in the debtor countries finally came to the fore.

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TABLE I

EXPOSURE OF U.S. BANKS IN THE DEBTOR COUNTRIES

| | End-1982 | End-1986 | End-1988 |
|---|---|---|---|
| NINE MAJOR U.S. BANKS | | | |
| *Percentage of Bank Capital in:* | | | |
| Developing Countries | 287.7 % | 153.9 % | 108.0 % |
| Latin America | 176.5 | 110.2 | 83.6 |
| ALL OTHER U.S. BANKS | | | |
| *Percentage of Bank Capital in:* | | | |
| Developing Countries | 116.0 % | 55.0 % | 32.2 % |
| Latin America | 78.6 | 39.7 | 21.8 |
| TOTAL BANK CAPITAL | | | |
| *(in billions of dollars)* | | | |
| Nine major banks | $29.0 | $46.7 | $55.8 |
| All other U.S. banks | 41.6 | 69.4 | 79.8 |

*Source:* Federal Financial Institutions Examination Council, "Country Exposure Lending Survey," April 25, 1983, April 24, 1987, and April 12, 1989.

The shift in concern can be easily explained. The emergence of the debt crisis in 1982 put the nine major U.S. banks at profound risk. Having followed the optimistic dictum of Citicorp's former chairman, Walter Wriston, that countries never go bankrupt, the banks had lent freely. In the 1970s they had earned huge overseas profits on their foreign loans. By the end of 1982 they had lent 176.5 percent of bank capital to Latin America alone, and 287.7 percent of bank capital to all developing countries (See Table I).

When the debt crisis hit in 1982, debt reduction as a response to the crisis was not considered. If even a third of the claims on developing countries went bad, many major U.S. banks would have been insolvent. Thus, Treasury policies were aimed at keeping the pressure on the debtor countries to continue servicing the debt. The developing countries squeezed their economies sharply to meet the interest bills. Latin America alone paid about $25 billion more in interest and principal each year than it received in new loans, which slowed to a trickle.

In 1985 the Baker Plan was introduced with the stated goal of reducing the net outflow from the debtor countries in order

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to spur growth in their economies. Secretary Baker called on the banks to relend $20 billion over three years to the debtor countries, through country-by-country negotiations. Since the countries owed around $80 billion in interest to the banks in those three years, the $20 billion in new loans would have reduced the net outflow by about one-fourth. In the end the banks even failed to deliver on the $20 billion. The Baker Plan is therefore viewed as a failure, but it benefited the banks by providing a political context to press the debtor countries to keep paying the interest.

Between 1982 and 1988, therefore, the banks received most of the interest due on the old debt, while also cutting back decisively on new lending to the debtor countries. At the same time the banks raised new capital. In this way the banks sharply reduced their risks from the developing countries' debts. By the end of 1988 the exposure of the major banks in Latin America had fallen to just 83.6 percent of capital—still high, but low enough to put the banks out of danger of insolvency.[2] This was an important precondition to any change in policy.

At least since 1985 market participants have doubted that the debts would actually be repaid in full, contrary to the official optimism of the Baker Plan. For that reason, the debts have actively traded on a secondary market at a large and growing discount. Table II shows the value of the larger countries' debts in this market as of February 1989, on the eve of the Brady Plan. Note that the total medium- and long-term bank debt amounted to a face value of $279.4 billion, with a secondary market value of only $96.7 billion, or an average market price of just 35 cents per dollar of debt.[3]

The stock market values of those commercial banks holding the developing countries' debts are also deeply discounted, in line with the secondary market prices of the debt. For example, the stock market seems to value Citicorp as if each $1 of its claims on Mexico were actually worth about $0.40, i.e., the

[2] The chairman of the Federal Deposit Insurance Corporation, William Seidman, made this point clearly in testimony to the U.S. House of Representatives Committee on Banking, Finance and Urban Affairs in January 1989: "Even in what surely could be considered a worst-case scenario, each of the nine money-center banks could write off 100 percent of their outstanding loans to these six [largest debtor] countries and, on an after-tax basis, each of these banks would remain solvent."

[3] The focus of the Brady Plan, and the focus of this article, is on the middle- and long-term debt owed by *sovereign borrowers* (i.e., by the public sectors of the debtor countries) to the commercial banks. Debt owed to the banks that is already guaranteed by creditor governments (e.g., U.S. bank loans guaranteed by the Exim Bank) is excluded.

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TABLE II

OUTSTANDING DEBT OF SELECTED COUNTRIES
(in billions of dollars)[1]

| *Country* | *Debt* (billion $) | *Market Value* (billion $) | *Market Price* (% of face value) |
|---|---|---|---|
| Argentina | $33.6 | $6.3 | 19 % |
| Bolivia | .9 | .1 | 10 |
| Brazil | 62.2 | 21.0 | 34 |
| Chile | 11.2 | 6.6 | 61 |
| Costa Rica | 1.5 | .2 | 14 |
| Ecuador | 5.5 | .8 | 14 |
| Mexico | 63.8 | 24.1 | 38 |
| Nigeria | 11.5 | 2.4 | 21 |
| Philippines | 10.5 | 4.8 | 46 |
| Poland | 12.3 | 4.9 | 40 |
| Venezuela | 22.6 | 8.2 | 37 |
| Total for 39 Eligible Countries | 279.4 | 96.7 | 35 |

*Source:* Total debt, from World Bank Debt Tables (with adjustments made to eliminate debt already guaranteed by export credit agencies). Market price of debt, percent offer price in secondary market, Salomon Brothers, February 1989; and Merrill Lynch Capital Markets, April 1989 (for Poland).
[1] Debt and market value rounded to nearest hundred million; market price to nearest percent.

price of the debt in the secondary market. This fact is very significant. It suggests that if Citicorp were to sell $1 of Mexican debt at the price of $0.40, the stock market value of the bank would remain unchanged, even though the bank would report a $0.60 book loss on the transaction. Thus, the banks can now afford to accept large losses on their portfolios without further reducing the banks' market value.

As for the debtor countries, many have fallen into the deepest economic crisis in their histories. Between 1981 and 1988 real per capita income declined in absolute terms in almost every country in South America. Many countries' living standards have fallen to levels of the 1950s and 1960s. Real wages in Mexico declined by about 50 percent between 1980 and 1988. A decade of development has been wiped out throughout the debtor world. The crisis of confidence has led to a collapse of investment, which will create a legacy of hardships in the 1990s.

Unprecedented inflation is raging in Brazil (934 percent inflation in 1988), in Argentina and Peru (annual inflation rates in both reached several thousand percent in spring 1989) and elsewhere. The region is rife with political instability, with

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a sharp shift toward support for populist politicians. The explosive situation in Latin America was registered most dramatically in February 1989, when Venezuelans rioted in Caracas and other major cities, in protest against austerity measures prompted by Venezuela's debt crisis. In the course of a few days an estimated 300 people died. This was particularly shocking since Venezuela had long been regarded as one of the most stable Latin American democracies.

U.S. interests are engaged throughout the debtor world. The bankers view the crisis mainly in terms of the six largest debtors—Argentina, Brazil, Chile, Mexico, the Philippines and Venezuela—which together account for about 75 percent of the U.S. money-center banks' exposure in the developing world. But U.S. interests arising from debts are actively engaged not only in Latin America and the Philippines, but in Eastern Europe and sub-Saharan Africa as well.

III

The Brady Plan carries forward two key precepts of its predecessor, the Baker Plan. First, it calls for the debt problem to be handled on a case-by-case basis, in which each debtor country negotiates separately with its creditor. Second, it envisions that any easing of the terms of the debt must be linked to economic reforms under the supervision of the IMF and the World Bank. The Brady Plan diverges from the Baker Plan, of course, in its stress on the need for debt reduction.

The Baker Treasury had raised two objections to debt reduction. First, it maintained that debt reduction would slow the return of the debtor countries to creditworthiness, because banks would be unwilling to lend to countries that had failed to repay their debts. Second, stretching out the debt repayments was deemed sufficient to restore prosperity. Opposition to debt reduction came not only from the Treasury but from the banks, given the continuing weakness of their balance sheets.

The Brady Treasury has now rejected these arguments. It has recognized that when a debt burden is too high to be repaid, it must be reduced before creditworthiness can be regained. The Brady Treasury has also recognized that a further stretching out of the debt payments without debt reduction is unlikely to restore prosperity, because of the continuing crisis engendered by the large stock of bad debt.

As for the debt itself, the Treasury has pointed to several

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ways to reduce it: buybacks, conversion of debts into bonds with lower principal or interest, and exchanging debt for equity in the debtor countries.

In a buyback, the debtor country uses cash reserves (either its own, or money borrowed from the IMF or World Bank) to repurchase some of its debt from its creditor banks, but at a deeply discounted price. For example, as noted, Mexican debt now sells for about $0.40 per $1 of debt. At this price, Mexico can purchase $2.50 of debt for $1 of cash. By borrowing $1 from the World Bank for this purpose, Mexico would be able to reduce its *net debt* by $1.50 (the bank debt falls by $2.50, the World Bank debt rises by $1).

Another way to achieve debt reduction is through a debt conversion, in which some of the existing debt is converted into a new asset. For example, the banks and Mexico might agree to convert some of its existing debt, which carries a floating market interest rate (approximately 11 percent as of May 1989), into a new debt that carries a fixed below-market interest rate, say five percent, with some or all of the future interest payments guaranteed. Thus, the new asset would have a lower contractual debt service burden. It would be made safer than the original debt by backing it with guarantees or collateral.

The guarantees could be arranged in a number of ways. For example, the World Bank could lend Mexico money to purchase various assets to deposit in escrow as collateral on the new bonds. Alternatively, Mexico could create a mechanism to pledge future oil earnings against the payments of interest.

The third debt reduction mechanism suggested by the Treasury is a debt-equity swap. The debtor government repurchases existing bank debt using local currency, which must then be used by the seller to make a foreign direct investment in the debtor country. The seller may be a creditor bank, or a company that purchases the debt from a bank and then sells the debt to the debtor country's central bank. Typically, the foreign investor acquires the bank debt at its secondary market price, but then sells it to the central bank at a much higher price, albeit one that is paid in local currency.

Debt-equity swaps evidently reduce the amount of outstanding bank debt, but they risk causing tremendous disruptions in the debtor countries. The problem is that the direct repurchase of debt for local currency represents an increase in the money supply, and thereby induces a rise in inflation. Typically, the

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debtor government will offset the monetary effects of the transaction by selling a bond in the local financial market to soak up the money supply increase. In effect, the government rids itself of its external bank debt by increasing its domestic debt. The bank debt is reduced, but the overall debt is not. And since the local debts carry much higher interest rates, the overall interest payments will tend to rise, not fall, after the debt-equity swap. For these reasons, several debtor countries have suspended their debt-equity programs, though other countries continue with them because of pressure from the banks, lobbying by local firms that benefit from the swaps and misguided advocacy by the U.S. Treasury.

## IV

While the Brady Plan enunciated some general suggestions for debt reduction operations, the Treasury is relying on market transactions between debtor countries and the creditor banks to achieve the debt reduction. In the Treasury's view, significant debt reduction can occur without a guiding hand. This optimism is questionable in view of the slow progress in voluntary debt reduction to date.[4]

Two factors introduced by the Brady Plan were intended to tilt the balance toward rapid debt reduction. First is the financing that official institutions are to provide for some of the debt reduction transactions. Second, the Brady Plan asked the banks to amend the terms of their loan agreements through waivers to permit the rapid introduction of new debt reduction mechanisms.[5] The banks have balked at unilaterally amending their agreements in order to expedite debt reduction operations.

It appears that the Treasury has miscalculated the chances for significant debt reduction in the current negotiating framework. This is not because the banks dispute the inevitability of losses on the debt—most do not—but because the negotiating framework gives too great an opening for each individual bank

[4] The banks assert that extensive voluntary debt reduction is already under way, and point to "more than $26 billion" of voluntary debt reduction in a recent report of the Institute for International Finance. The vast bulk of this amount is private-sector conversions (roughly $8 billion) and debt-equity swaps and local conversions (about $16 billion), versus only about $2 billion of debt buybacks and exit bonds for public-sector debt, where the real debt crisis lies.

[5] In particular, various technical clauses in the contracts (e.g., the sharing clause) prevent the debtor country from making unequal payments to particular creditor banks. This clause rules out a buyback of debt from a particular bank, for example, because that bank would be receiving a repayment of debt that is not received by the other banks. The Treasury has asked the banks to waive these clauses voluntarily in order to expedite the debt reduction process.

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to hold out, hoping that somebody else (other banks, the IMF, Japan, etc.) will bear the inevitable losses. The Brady Plan does not ask the banks to do anything specific (except to agree to waivers in the loan agreement). Thus, each bank can readily endorse the Brady Plan in the abstract without conceding anything concrete.

Moreover, there is an inherent limitation to any voluntary scheme: participation in the new plan must be no worse for the banks than sticking with the original claim. But an obvious paradox arises. If the debt reduction is deep enough that creditworthiness is truly restored, then *all* of the claims on the debtor, even the "holdout" debt not involved in the debt reduction plan, will rise in value to face value (i.e., to close to 100 cents on the dollar in the secondary market). Therefore, if a voluntary scheme appears likely to work, banks will decide to hold out until creditworthiness is restored, and the goal of debt reduction will not be achieved after all.

This difficulty is often called the "free rider" problem; it is very real and very serious. A senior executive at a money-center bank told me recently: "Mexico will get its debt reduction. We're not going to give it, but we're sure that other banks will." Even aside from the unfairness of this view (why should one bank escape from the burden of debt reduction that is accepted by other creditors), the analysis is probably wrong. Just as the one bank will not participate, other banks will follow the same logic and fail to participate in the "voluntary" scheme. Some money-center banks are privately pressing for a comprehensive approach to the debt negotiations; they express a willingness to engage in deep debt reduction, but only if their corporate competitors do likewise.

Other banks argue that they should be allowed to make new loans while some banks accept debt reduction, but new lending is in practice just a disguised form of free-riding. The bank lending new money does not reduce the value of its original claim, and will also insist on full repayment of the new loan.

Another problem is that the major commercial banks see an advantage in waiting for further bailouts from the official creditor community. For example, they may expect to benefit if Mexico can attract new loans or grants from the official creditors that can be used to make debt service payments. In this case, the banks' optimism would not be misplaced: the IMF, the World Bank and increasingly the Japanese government

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have acted in recent years to supply some of the money needed by the debtor countries to meet interest payments to the banks.

The large U.S. banks are especially resistant to debt reduction operations for two basic reasons. First, even though debt reductions should raise market values of bank stock, they generally require book losses, because the banks are holding the vast proportion of the debt on their books at the original face value.[6] Since capital adequacy standards are based on book values, many banks are loath to report book losses even for the sake of market gains.[7] Second, the large banks have better access to debt-equity swaps than do the smaller banks; these swaps offer the large banks a less costly way of divesting debt, though the swaps increase debtor countries' overall debt.

In sum, sufficient debt reduction will likely be unachievable through a decentralized, "voluntary" process.

## V

How then should the Brady Plan be elaborated in order to overcome these problems?

The Treasury must emphasize the need for concerted participation of the banks in debt reduction, with no free riders. All banks should accept an equivalent reduction of their debt, although they may choose among methods of participation, e.g., buybacks or debt conversions. But perhaps the simplest mechanism would be to cut the interest charged on the debt to a fixed level below market rates, combined with official guarantees on part or all of the payments. This mechanism is ideal for achieving a comprehensive settlement: it is administratively straightforward, is equitable in its impact across banks, and avoids the adverse consequences of debt-equity swaps. It may even obviate the need for large, immediate writedowns of capital, because under U.S. banking regulations a debt restructuring that preserves principal but reduces interest rates does not in general require a capital writedown.

Achieving a comprehensive cut in interest rates to submarket levels would require several steps on the part of the official creditor community (especially the IMF and World Bank) to shift the negotiating framework. All of the needed

[6] Consider a bank that holds Mexican debt on the books at full face value, with the market value at $0.40 per dollar of debt. If the bank sells the debt for $0.45, it makes a profit in market values of $0.05, but might have to report a book loss of $0.55.

[7] This could easily be handled, however, through appropriate regulatory policies, such as requiring the banks to hold the debt on their books at true market value.

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steps are within the mandate of the international institutions. All could be carried out in a case-by-case manner, conditioned on prior economic reforms in the participating country.

The first step would be an explicit recognition by the IMF and the World Bank that the debt burden of a particular country should be reduced. IMF and World Bank programs would then be designed with the necessary amounts of debt reduction in mind. The extent of austerity called for by the IMF, for example, would be lessened as the IMF explicitly recognized that some of the debt service burden of the country would be reduced rather than paid.

The targeted amounts of debt reduction would be based on a professional assessment of the country's budgetary and balance-of-payments prospects, and would take into account the price of the debt on the secondary market, the extent of economic decline or collapse in the country in recent years, and so on. The IMF and World Bank would provide guarantees for the banks that participate in the debt reduction process.

The key step would come next: gaining sufficient participation by the banks. The IMF and the World Bank would have to establish as a matter of official policy that the banks should share equally in the debt reduction. They would insist that a "critical mass" of banks holding, say, 80 percent of the debt participate in the debt reduction package before IMF and World Bank funds would be made available to provide guarantees to the participating banks.

Furthermore, the IMF and World Bank should enter into other lending programs to the debtors without tying them to completion of the debtor-bank negotiations. To date, debtors have generally been unable to obtain new IMF programs until they agreed with the banks on a future schedule of debt service payments. This in effect has given the banks veto power over IMF programs. With the banks insisting on full payments, the country would either have to pay or find itself without access to official lending. This is the precise sense in which the IMF has acted as a "bill collector" for the commercial banks: IMF lending has been conditioned on meeting the banks' demands for full repayment. If the country dared to sacrifice its IMF program, it generally lost access to financial support from the Paris Club, official export credits, World Bank loans and so forth.

In an important shift, the Brady Treasury recently recognized the stranglehold that the banks have held over the IMF.

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In his March speech, Secretary Brady called for greater IMF flexibility in making disbursements to countries even before final agreements are reached between the banks and the debtor country. But he was ambiguous about how the IMF should respond to arrearages (nonpayment of debt service due) by the debtor countries should the commercial banks balk at providing debt reduction.

It may be necessary for the IMF and World Bank to take the extra step of tolerating debtors' arrearages to the commercial banks at two crucial points in the negotiating process. Tolerating arrearages means that the official creditor community (the IMF, the World Bank, the multilateral development banks, the Paris Club, the official export credit agencies) would continue normal relations with debtors despite their arrears to the commercial banks. The official creditors would tolerate the arrears of cash-strapped debtors, first, if it proved difficult to assemble the critical mass of banks to participate in the needed debt reduction. Second, official creditors should continue to tolerate debtors' arrearages to any recalcitrant banks which refuse to join in the agreed package once the critical mass has been reached. Such a policy would isolate the holdout banks, and undermine free riding: banks that fail to participate in debt reduction would not get paid.

## VI

How much debt reduction is needed, and what will it cost? This depends on (1) the terms on which the debts will be reduced and (2) which debtor countries participate.

The general goal is that debt reduction be sufficient to enable the debtor to pay the remaining debt service routinely and to resume growth. Some Bush Administration officials have suggested an average reduction of 20 percent for eligible debtors, but this amount would not come close to meeting the above goal.

As the Brady Plan suggests, the targets for specific countries should be set by a case-by-case approach after a detailed analysis of the medium-term economic and political prospects of the eligible country. The professional staffs of the IMF and the World Bank are qualified to give guidance on this question, though they should pay much more attention than they have to the simple truth that debt servicing capacity depends on political stability as well as economic factors.

As a starting point, they should use evidence of the secondary

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market value of the debt to judge how much the debt should be reduced. Roughly speaking, the market expects that a country with a debt selling at 40 percent of face value will be able to repay only 40 percent of the outstanding debt. If the debt burden were to be reduced in line with the current secondary market price, the country would have good prospects of full debt servicing thereafter. In fact, the debt need not be reduced this much: the secondary market value of the debt likely *understates* the long-term debt servicing capacity of the country, since it reflects all of the uncertainties and costs of the debt strategy that have been followed until now. For this reason the banks should receive something more than the secondary market price in return for their full participation.

I would propose as a basic guideline that the banks receive (in the present value of repayments) a 20-percent premium over the secondary market price as of some reference date, e.g., February 1989.[8] This number could then be adjusted upward or downward based on the medium-term economic scenario elaborated by the IMF and the World Bank, operating in consultation with economists in the debtor countries and the creditor banks. On this basis, Mexico's debt burden would be reduced to around 45 percent of the current face value.

What debtor countries should participate in debt reduction? There are 39 countries that have been identified as candidates by the Brady Plan; their foreign commercial bank debt totals $279.4 billion, with a secondary market price (as of February 1989) of $96.7 billion. But only a small fraction of these 39 countries would qualify immediately for a debt reduction program, namely, those countries that have undertaken sound, internationally supervised adjustment programs. As of mid-1989 this list would include, among others: Bolivia, Chile, Costa Rica, Ecuador, Mexico, the Philippines and Venezuela. It would not include Argentina or Brazil, which have both failed to make significant progress on economic reform programs.

Therefore, debt reduction should be first undertaken for the handful of qualifying countries. It is important that adequate reductions be made in these countries' debt. The funding already pledged by the IMF, the World Bank and Japan, totaling

[8] To the extent that the secondary market is used as one guideline to set the target for debt reduction, a past reference date for the prices should be chosen to eliminate the incentive for a debtor country to drive down its market price artificially.

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$29.5 billion, should be targeted to finance adequate reductions and guarantees for the currently eligible countries. Only if these test cases receive sufficient reduction of their debt burden will the plan succeed, and thereby gain the political support necessary for creditor governments to pledge additional resources for the reduction of other countries' debt as they qualify for it.

VII

What is the cost of financing debt reduction? Even though debt reduction will proceed on a country-by-country basis, it is useful to look at the overall cost of financing the program.

After a critical mass of the banks accept the package and after the debtor country is certified to be undertaking a comprehensive program of economic reform under the supervision of the IMF and the World Bank, the reduced interest rates would then be guaranteed. These guarantees would be provided by a special guarantee fund set up in the IMF and the World Bank. The principal would not be reduced, but would be rescheduled for 30 years and also guaranteed by this fund.

The key operation of the guarantee fund is to pay the reduced interest to the banks in the event that the debtor country cannot or does not meet even the reduced amount of debt servicing. Thus, the ultimate backers of the guarantee (e.g., the creditor governments) assume only a partial and contingent burden; they bear some of the cost only if the country does not meet its reduced debt repayment schedule.

Fortunately, even if the official community provides comprehensive debt reduction for all of the eligible debtor countries, only very modest new budgetary outlays will be required from the creditor governments. This is because numerous other sources of financing are available.

Let us assume that the present value of the debt service of the 39 eligible countries is reduced to market value ($96.7 billion) plus a 20-percent premium. The total required to guarantee the interest and principal would be $116 billion. One way of funding this is illustrated below.

The first tranche could be provided by the banks out of the 20-percent premium that they earn over the market price. About half of the premium, $9.67 billion, would be deposited into an insurance fund at the IMF and World Bank to provide a portion of the guarantees. The banks would receive their pro-rated share of any funds remaining in the insurance fund

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after ten or 15 years. The other half of the premium would be kept as current income by the banks.

The proposed guarantee fund would then have to cover the remaining $106 billion. A formula for a full funding of the guarantee fund would result from detailed negotiations. Of the $106 billion required, about 60 percent could come from funding sources already in existence and other sources that would not require appropriations by the creditor governments. Furthermore, $106 billion is the maximal cost if all 39 countries participate and then completely default. A breakdown of this magnitude is extraordinarily unlikely. Also, as interest is repaid over time, the amounts needed in the fund would decline.

*Among the possible sources for the $106 billion are:*

—World Bank and IMF resources ($41 billion, including the $25 billion already suggested under the Brady Plan);

—Contributions from the debtor countries themselves, including: gold reserves, or the pledge of future export earnings as collateral for future interest payments ($25 billion);

—Paid-in and callable capital from the creditor governments ($40 billion).

One key source of guarantees should be pledges by the debtor countries of future export earnings as collateral for future interest payments. Ecuador already has extensive experience with collateralizing interest payments with future oil earnings, in the form of a special "oil facility" with the commercial banks that was operative in 1986–87. Mexico and Venezuela could also pledge future oil earnings, and other countries could pledge earnings of other major exports. A reasonable estimate of the funding available from these sources is approximately $2.5 billion a year, or $25 billion in present value.

Only one-third of the guarantee fund ($40 billion) would require new authorizations by creditor governments, and only a fraction of that would require new appropriations. I propose that the paid-in capital from the Group of Seven industrialized countries be ten percent, or $4 billion, with the rest callable, and that the U.S. share of the paid-in capital be $1 billion. The total U.S. guarantee, therefore, would be $10 billion. The paid-in proportion ($1 billion) could be appropriated over several years, and so would amount to a tiny fraction of any one year's foreign aid budget. Of course, the actual U.S. contribution would rise in the event of massive defaults by the

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debtor countries on their reduced payments. But even an extraordinary 30-percent loss would mean a U.S. liability of $3 billion, a trivial sum assuming that the losses are distributed over many years. For comparison, this is a tiny fraction of the taxpayer obligations under the current crisis of domestic savings and loan institutions.

The Brady proposal has been attacked for recommending any use of taxpayer dollars to support debt reduction operations. As just seen, the amounts likely to be involved are in fact very small. But, in addition, this criticism ignores the fact that the taxpayer was put at much greater risk under the Baker Plan strategy. Under that plan the debtor countries were obliged to meet their full interest payments. Since such payments were beyond the capacity of the countries, and since the banks were unwilling to ease the cash-flow burden through much new lending, it fell on the official (institutional or governmental) creditors to lend the countries the money they needed to pay their interest bill.

Analyzed in this way, the taxpayer stands to benefit significantly if the commercial banks recognize some losses on the debts. Using IMF and World Bank money to support debt reduction will be much safer than simply using the same money to lend to debtors so they can pay the banks' current interest bill. The guarantees will be safer the deeper the debt reduction; the smaller the remaining debt, the more likely it is that the debtor will be able to service it without drawing on the guarantees.

## VIII

Debt reduction is a necessary condition for renewed economic growth in the debtor world, but it is surely not a sufficient condition. Without appropriate economic reform measures, most debtor economies would remain in difficulty even after a substantial reduction of debt. Thus, it is essential for the debtor countries to use the opportunity of debt reduction to make fundamental adjustments. Also, the protection of official funds requires that guarantees be conditioned on sound economic policies.

It is sometimes suggested that debt reduction would remove the pressure for economic reforms. This argument is dubious. The economic instability caused by the debt crisis itself is a much greater barrier to economic reform. In Latin America reformers are finding themselves vulnerable to sharp political

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attacks by populists, who charge that economic reforms are simply a way to squeeze the domestic population in order to transfer funds to the foreign banks. In the absence of debt reduction, that charge is both accurate and politically potent.[9]

Seen in this way, the failure in recent years of IMF conditionality to "enforce" good policies is a reflection of the debt management strategy. Noncompliance with IMF programs has grown in recent years, largely because the programs have sought to impose austerity measures aimed at enabling the country to make politically unacceptable levels of debt service payments. If IMF conditionality were to be based on realistic amounts of debt servicing, IMF reform programs would be honored with much greater frequency.

There are many important and complex issues regarding the contents of "economic reform" programs. The basic orientation of IMF and World Bank programs appears to have considerable merit, based on the record of comparative economic performance in the developing world.[10] The IMF properly stresses the need for fiscal discipline, which is the *sine qua non* of overall macroeconomic stability. The World Bank properly stresses the need for an outward-oriented trade regime, the importance of which is most vividly illustrated by the success of the exporters in East Asia, compared with the inward-looking regimes in Latin America. But both institutions have found that their message gets lost in the political firestorm that breaks out when excessive debt payments overwhelm the domestic economy.

One underemphasized area for reform is the striking inequalities in Latin American societies, in which the top 20 percent of the population in some countries earn as much as 30 times the incomes of the bottom 20 percent. The vast inequalities have played a large role in the onset of the crisis, and help to explain the attractiveness of populism, the widespread unpopularity of private enterprise, and resentment at the wealthy elite's avoidance of their share of taxation. Future

[9] To date, the better a country performs, the less it needs emergency loans and the more resource transfers it must make to the rest of the world. "Good behavior" thereby results in larger net debt servicing. The result is that economic reform has come to be viewed within the debtor countries as something that is done for the sake of foreign creditors, rather than for the sake of the debtor country itself. This adverse incentive effect can be overcome only by reducing the debt that is due, so that more of the benefits of economic reform accrue to the country itself.

[10] For a cross-country comparison of economic performance, see Jeffrey D. Sachs, ed., *Developing Country Debt and the World Economy*, Chicago: University of Chicago Press, 1989.

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IMF and World Bank programs should give greater care that the spending, tax and trade measures that they represent help to narrow the profound income gaps in the region.

IX

The Brady Plan will soon arrive at a crossroads. The Treasury will have to choose between the easy path of overseeing a small amount of debt reduction, and the much harder path of active engagement to achieve the deep debt reduction needed to solve the crisis. The market alone will not achieve the necessary extent of debt reduction. The official creditor community must now be prepared to help design meaningful and comprehensive deals between the banks and the debtor countries.

The cost of half-measures will be very high, not only for the taxpayers who will pick up a greater bill in the end, but for the 800 million people now living in economic turmoil in debt-distressed economies. Under the Baker Plan, the Reagan Administration temporized for four years while the banks escaped from the crisis. The Brady Plan has now reawakened the hopes of the debtor nations around the world. More years of temporizing would burst those hopes, with sorrowful and harrowing consequences.

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*James LeMoyne*

# EL SALVADOR'S FORGOTTEN WAR

Washington paid no attention when the Salvadoran Communist Party split in 1969 in a bitter dispute over whether to lead an armed uprising. In El Salvador, a tiny country dominated by a vitriolically anticommunist army and oligarchy, the revolutionary aspirations of the Salvadoran Communist Party chairman, Salvador Cayetano Carpio, sounded like a hotheaded fantasy. But Carpio had reason to believe in the armed future he foresaw. Today, two decades later, his prescient dream of insurrection has come true.

It was no easy feat to spark a revolution in El Salvador. Carpio's own Communist Party was so cautious that it expelled him for militaristic "adventurism." Undaunted, Carpio reportedly traveled to North Vietnam to study how a Marxist-Leninist party could organize disgruntled students, peasants and workers into a punishing political-military movement capable of leading a revolution to defeat a corrupt local government and end the political dominance of the United States. El Salvador had long been home to a communist party and active workers' organizations, even though the army almost destroyed the party in 1932 when it massacred at least 10,000 people to crush a communist-led peasant insurrection against the landowning oligarchy. Carpio and a handful of followers found fertile ground for new revolutionary war. Six years ago, Carpio committed suicide after losing a characteristically bloody internal power struggle. But his revolutionary vision more than outlived him.

Today El Salvador is wracked by a crippling civil war pressed by the Farabundo Martí National Liberation Front (FMLN), formed in 1980 and named for the leader of the Communist Party executed by the army in 1932. Four of the five Marxist rebel groups that make up the FMLN were organized either by communist dissidents or by independent young Marxists who refused to enter what they saw as an ossified party subservient

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to Moscow. Eventually even the reticent communists felt forced to join the new generation of rebels in the FMLN or risk being left behind forever.

The Salvadoran guerrillas are now the best-trained, best-organized and most committed Marxist-Leninist rebel movement ever seen in Latin America. The FMLN is an impressive organization led by some of the country's most talented people. Its extensive political, diplomatic, social, financial and military resources make it the shadow government in at least a third of El Salvador and a periodic presence in much of the rest of the country. After nine years of fighting, more than $3.3 billion of publicly acknowledged American aid and the lives of 70,000 Salvadorans and 14 American officials, the Marxist rebels have not succeeded in winning the war. But they have succeeded in their secondary objective of making the war—and, by extension, the FMLN—inescapable facts of life in El Salvador that affect all else.

The conflict now challenges both the Bush Administration and the new rightist government elected in El Salvador in March 1989 amid countrywide attacks by the rebels. It is no easy feat to find an effective policy for the war-broken country, where the recalcitrant right, the Marxist left, a traditionalist army and a wavering center vie for control of an impoverished society that has never had a shared consensus.

A grueling, violent period lies ahead that will defy ideal solutions. After a decade of deep involvement in El Salvador, it seems past time for a review of an American policy that has struggled to achieve goals that may still be attainable, but only if they are fundamentally reoriented. The guerrillas have promised to make the country "ungovernable," and may succeed in doing so. U.S. officials who once confidently spoke of defeating the rebels now speak of remaining in El Salvador "for a generation."

## II

The United States intervened in El Salvador in 1980 principally because it feared the consequences of a victory by Marxist rebels closely allied to Cuba, Vietnam and the Sandinistas of Nicaragua. But the decision to intervene carried its own far-reaching consequences, which few U.S. officials appreciated ten years ago.

El Salvador is at war because it is one of the sickest societies in Latin America. Its archaic social structure remains basically

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colonial. Despite some efforts at change, a tiny urban elite and dominating caste of army officers essentially rule, but do not effectively govern, an illiterate, disease-ridden and frustrated majority of peasants and urban slum-dwellers. Order is often imposed by violence; there is not now, nor has there ever been, a just legal system. The rebels, in short, have had ample cause to lead a revolution.

By intervening in the civil war to stave off a rebel victory, the United States has made itself in effect responsible for ministering to the multiple ills created by centuries of misrule by Salvadorans. That misrule was carried out by the army and ruling elite that American policy is now supporting. In essence, the United States is attempting to persuade El Salvador's rulers to change their ways radically. It is a long-term, controversial and highly problematic task that pretentiously used to be called "nation-building."

In this century, however, almost no outside power has successfully detained a revolution while trying to shepherd a modernizing but still primitive Third World society. It is a daunting labor that the U.S. political system is particularly poorly suited to carry out. That may not mean it is impossible. But undertaking the transformation of El Salvador is an extremely large, risky commitment that American policymakers had best take with the utmost seriousness—because if it is not handled with care, El Salvador could become an even worse tragedy for its people and a foreign policy disaster for Washington.

Following nine years of vicious fighting and the five most honest elections in El Salvador's history, the political landscape has improved but is still rough. The people are polarized, distrusting and uncertainly swinging between increasing conservatism, demoralized apathy and mass migration to the United States. The centrist Christian Democratic Party of President José Napoleón Duarte is in decline due to its own corruption, incompetence and over-reliance on a U.S. embassy that mistakenly encouraged the Christian Democrats to become an anticommunist party of war, forgetting the party's roots in the populist left. Duarte, fatally ill with cancer, has hoped to be the first democratically elected civilian president in El Salvador to hand power over to another democratically elected civilian president. It is an important step, but only a start in the long process of democratization and effective governance.

President Duarte will cede his office to one of his bitterest

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opponents, the strongly rightist Nationalist Republican Alliance party, known as ARENA. ARENA's candidate, Alfredo Cristiani, won the presidency in the March 19 elections, and the party controls the legislature, most municipal governments and the courts. Many Salvadorans were angered by the corruption of the Duarte government, and the conservatives built upon their already hefty base of support. But there is reason to worry about ARENA's new dominance, because it does not express a new consensus but rather reflects the deep polarization of the country. As importantly, ARENA's commitment to democracy and to reform is still very open to question.

ARENA was formed eight years ago as an ultra-rightist party of reaction. It viciously opposed political change with a paramilitary wing whose death squads worked with army units to murder thousands of perceived opponents, almost certainly including the Roman Catholic archbishop, Oscar Arnulfo Romero. ARENA gunmen also are believed to have machine-gunned the U.S. embassy, kidnapped leading businessmen for profit and plotted to kill the American ambassador. Military officers and two businessmen who ran death squads for ARENA reportedly ordered and personally observed the murder of two U.S. land reform experts. ARENA's more moderate members, whom Mr. Cristiani represents, do not have control of the party. They must negotiate with ARENA's founder, Roberto D'Aubuisson, the *pater familias* of the death squads and godfather of the politics of hate. It is a measure of El Salvador's extremism and deep conservatism that D'Aubuisson is the most popular political figure in the country.

The odds are against Cristiani's gaining complete control over the extremists, but he may surprise the harshest critics of ARENA. He and other moderates in the party appear to be searching for more effective and more humane ways to govern. There are many talented Salvadorans, including enlightened members of the oligarchy, numerous businessmen, farmers, villagers and shopkeepers who want the killing to end and who will strongly support a decent government. But ARENA will have to demonstrate whether, having been founded as a party of reaction, it can now become a party of intelligent reform—because neither preservation of the status quo nor return to the past is possible in El Salvador. Meaningful reform must go on.

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III

What sort of reforms are needed? They are obvious. The changes called for include respecting human rights while fighting the war far more effectively, forming government programs that help the poor majority to assist themselves, exploring new sources of economic growth and making farms more productive, while punishing corruption and offering publicly responsive government that involves Salvadorans in running their own lives and the country. The popular demand for change goes far beyond holding periodic elections; it is a demand for full participation in national life and for a decent standard of living.

These are measures that no government in El Salvador has been able to achieve because they require fundamental changes in the country's authoritarian culture, economic structure and political practices. In particular, the economic elite that ARENA represents has obstructed such change for a century and may still continue to do so. Political leadership and personal sacrifice for national democratic gain have never been Salvadoran virtues. But war sobers men, even as it embitters them, and sobered men may yet have a slim chance to turn El Salvador toward sanity.

There are positive developments in the country that can be built upon. Genuine elections have been accompanied by far more open political debate. Salvadoran party leaders are learning the trade of politics and managing a society. The press is growing bolder. Political killings on both sides are rising as the guerrillas reinfiltrate the capital, but are still very far below the numbers of the past. The former near-total domination of the oligarchy is gone forever. Land reform has haltingly begun. The army has largely stayed out of civilian politics, but it still exerts an enormous influence on policy decisions. While the army has become more effective militarily, it still has much to learn on the battlefield. Extreme U.S. pressure may finally force army officers to prosecute some of the killers in their ranks. But that step can only be counted as a permanent advance when the army punishes murderers without being pressured by the United States. That day is far away.

A clearer sign of progress is the formation of a new coalition of small democratic socialist parties, known as the Democratic Convergence. It is led by leftist democrats, including Rubén

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Zamora and Guillermo Ungo, whom the government allowed to return in 1987 from exile where they fled to escape death squads. The socialists are presently depressed by the bare 3.8 percent of the vote that Mr. Ungo, their presidential candidate, received in this year's presidential election.

The Democratic Convergence maintains a seemingly strained alliance with the Marxist guerrillas, whose military attacks during the election, threats to "blow to pieces or consume in flames" any car on the road, and promises to kill election workers helped sharply curtail voter participation. In a blow to the fragile electoral system, half of the electorate did not vote—most out of fear or apathy, but some out of active opposition to the present order. The Democratic Convergence suffered most at the ballot box; it had been expected to get at least twice as many votes as it did. The Salvadorans who risked voting appear to have held the socialists responsible for highly unpopular guerrilla violence. The Democratic Convergence, however, hangs on to its alliance with the FMLN, saying it wants to serve as a moderating force to convince all sides to make concessions and negotiate an end to the fighting.

Although the Salvadoran electorate appears to have shifted to the right in the 1980s, the future of the socialists and the flailing Christian Democrats could well prove brighter than their present. Only a decade ago a striking majority of Salvadorans supported the democratic left. In 1972 they elected Duarte president at a time when he was still a leftist populist who ran with the socialist Ungo in an alliance openly backed by the Communist Party. The army, urged on by the oligarchy, stole that election, beat Duarte, exiled him and then began to murder those who opposed the military-oligarchic dictatorship. That brutal denial of democracy, which was ignored by Washington, spurred the emergence of the Marxist guerrillas and ultimately the civil war. American officials now say they welcome the rebirth of the democratic left as a force for democratization in El Salvador.

Aside from the United States, the other most influential political force in El Salvador is the army. In these years of war the army has quadrupled in size, fed by nearly a billion dollars of known U.S. military aid and probably considerably more if hidden CIA funds are included. With 56,000 men, the army sees itself as the guarantor and beneficiary of the new U.S.-backed political system created after young army officers led a reformist coup in 1979. Salvadoran army officers, who once

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ran most regimes, support civilian rule today because they see it as a risky but necessary experiment to ensure the army's survival. They will abort the experiment if ever they feel it threatens the army's survival as an institution, which they consider to be synonymous with the survival of the nation. Such militarism is a typical handicap inherited from the Spanish Conquest and Spanish colonialism that will only slowly be cured as El Salvador matures politically. That is no easy task in the midst of a war that increases the army's power.

The army's mass killing of civilians virtually ended five years ago and probably will not be repeated, because the army does not now feel threatened enough to resort to such tactics and may have learned that mass killing is not a solution. In the most egregious killing of civilians in recent years, a few junior officers are now being investigated for murdering ten peasants last September. But army officers are still a caste above the law, even though a number of them are known criminals, mass murderers and torturers. The army and the political police it controls still kill opponents if they see no other way of dealing with them. Some army units currently appear to be selectively murdering and torturing people they believe are clandestine members of the guerrillas' urban cells.

Because the army is a key political force, ARENA hard-liners like D'Aubuisson can be expected to try to ally with ultra-rightist officers to pressure more moderate officers and perhaps Cristiani. That is the way politics was long practiced in El Salvador—rightists making alliances with army officers to kill opponents, get rich and repress the majority of poor peasants and workers. D'Aubuisson knows the game well, since he is a former army major widely reputed to have been one of the chief killers in military intelligence in the 1960s and early 1970s, at a time when it was closely advised by the U.S. Central Intelligence Agency, according to several army officers.

## IV

The army risks losing the war. Despite improvements by the army since 1980, the rebels have succeeded in prolonging the conflict. This is a major achievement for the rebels, and one that makes final victory by them possible, if not yet probable. The rebels, probably numbering 3,000 to 4,000 fighters, have thoroughly infiltrated the army and know its weaknesses. The guerrillas' current tactics are designed to push the army onto the defensive and sharpen its internal conflicts.

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The guerrillas do not intend to defeat the army on the battlefield. Their strategy is essentially economic and political. The FMLN objective is to exhaust the army and keep it on the defensive while the rebels destroy the government's capacity to govern, weaken the public's willingness to endure more suffering and convince the United States to end or reduce its commitment. The guerrillas will then force the isolated government to negotiate its gradual surrender or to fight from a position of weakness.

The rebels are gearing up for a full political-military offensive. Guerrilla combat units maneuver daily across the volcanic landscape, bleeding the army and the economy with raids and sabotage that have inflicted nearly two billion dollars worth of damage—almost canceling a decade of American economic aid that has kept the war-shattered economy afloat, even as the unemployment rate hovers at close to 50 percent.

In the last year the FMLN has occupied the strategic heights of the volcanos overlooking the capital of San Salvador and reinfiltrated the city to harass the army's most important garrisons and carry out several terrorist bombings. The rebels have not overrun army bases. But they are striking in more cities, moving the war closer to the capital and expanding to the once peaceful western part of the country. They have also encouraged thousands of their supporters who were refugees in Honduras to return to rebel-held areas and become a renewed base of support. The uncontrolled Honduran border serves as a relatively safe rearguard for the guerrillas. The army has retaken some important areas from the rebels over the last five years, but has failed to extend government control decisively into contested parts of the country.

Using improved firepower and especially U.S.-provided aerial gunships, the army has forced the rebels to break down from the company- and battalion-size units they once operated in. But the guerrillas have learned to move in units of five to 20 men and can quickly combine for larger attacks. They wage a war of constant small ambushes backed by mines and booby-traps. They also occasionally launch major attacks, backed by strikes and demonstrations by rebel supporters in the cities. The main war zones are to the north of the capital and in the east of the country. Combat regularly occurs within ten miles of the capital, and the rebels are promising to unleash major raids in the months ahead.

The FMLN consists of five Marxist groups: the Popular Lib-

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eration Forces, the People's Revolutionary Army, the Central American Workers' Party, the National Resistance and the Communist Party. The first two factions are numerically dominant. Of these two, the Popular Liberation Forces has been most effective in organizing peasants and trade unionists into a combined political-military force. The five factions have suffered in the past from bitter internal wrangling over how best to win the war. But despite continuing differences, they have shown increasing coordination in tactics and strategy over the last two years.

The guerrillas are nationalists (as well as Marxists) who believe that the traditional Salvadoran elite and the army can never create an equitable, modern society, and that therefore the FMLN is the only savior of the country. The government's unimpressive efforts to date give the rebels cause for hope. Their confidence is strengthened by their isolation in the mountains and in clandestine urban cells, and by their extreme discipline and near theological conviction, needed to survive army attacks and rightist death squads. But such ideological rigidity has kept the rebels from comprehending that the majority of Salvadorans do not support them. Despite some efforts at moderation, the rebels still do not seem willing genuinely to moderate the authoritarian Marxism that limits their public appeal.

I have met many guerrilla leaders of left and right in Central America, but I never met any as obsessed with his mission as one of the Salvadoran rebels' chief military commanders, Joaquín Villalobos. His zeal is closely matched by dozens of other rebel commanders and sub-commanders. The FMLN is a resilient movement that no single man dominates, but Villalobos is extremely influential. In a meeting once at his sometime base in the village of Perquín, Villalobos reminded me of accounts of the young Castro, or Mao or Ho Chi Minh—he is that intelligent, that militaristic, that nationalistic, that dogmatic, that egotistically sure of his own destiny. He is responsible for many civilian deaths and probably will do whatever he believes is necessary to win the war. Not surprisingly, Mr. Villalobos is a favorite of two equally determined men—Fidel Castro and Sandinista Defense Minister Humberto Ortega—according to several former guerrillas. A former senior Sandinista official contends that the Rolex watch Villalobos wears was a present from Castro.

The majority of Salvadorans are not politically engaged in

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the war and dislike both the army and the guerrillas. There is a widespread, passionate yearning for peace, to which the rebels ably appeal with a campaign for negotiations—on terms favorable to the rebels. That yearning is likely to grow. The pragmatic neutrality of many civilians is such that past government efforts to form village civil defense units foundered. Civilians are reluctant to become guerrilla targets, a stance that benefits the guerrillas. Also, the army is reluctant to arm civilians. As a consequence, few villages have or want effective civil defense units.

But the rebels and the ARENA government each has a strong base of supporters who are committed to fighting each other. This factional conflict is very different from neighboring Nicaragua, where the people rose almost en masse to overthrow the Somoza dictatorship in 1979. Villalobos once said the history of Latin America is made by "active minorities," not by the quiescent majority. He is trying to prove his assertion in El Salvador, where the rebels intend to be the most active of the country's "active minorities."

The guerrillas probably have more than 50,000 committed supporters and perhaps some sympathy from up to ten percent of the more than five million Salvadorans living in the country. That is ample support to wage guerrilla war. But the rebels cannot win a fair election. They have never had the support of the majority and so far have failed to increase their popularity significantly. There is irony in this because the guerrillas are one of the main forces that has demanded a more equitable and more modern form of government and society. It is the guerrillas' willingness to fight that forced the army, the oligarchy and the United States grudgingly to support reform.

But a great many Salvadorans fear the FMLN will replace a bankrupt system of militaristic, violent capitalism with a militaristic, bureaucratized, single-party socialist model that has also failed. The guerrillas act like autocrats in the zones and refugee camps they control. Like much of the Third World, El Salvador needs policies that sidestep rigid doctrine in favor of pragmatic answers to local demands that reflect Salvadoran identity. Neither lawless, semi-colonial capitalism nor military bureaucracy nor single-party Marxism is likely to lead El Salvador out of its trauma.

## V

Like most Marxists in the age of Gorbachev, the guerrilla commanders who steer the FMLN have appeared to be reviewing

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their Marxism in recent months.[1] They seem to be struggling to define a more flexible approach that would still make them the dominant political and military force in El Salvador, but would not leave them internationally isolated and economically bankrupt. Taking a cue from the Sandinistas in nearby Nicaragua, the Salvadoran rebels have begun to speak of a post-revolutionary system that has at least limited opposition parties, a strong Catholic church and controlled private enterprise. But, as Nicaragua shows, finding a way to "liberalize" revolutionary Latin Marxism is no simple circle to square. In El Salvador, the rebels' dogmatism goes deep, reflecting their ideology as well as the extremism of Salvadoran culture and the terrible war.

The rebels presently shift between reassuring words and terrorist deeds fed by sectarian fantasy. They recently have contacted several leading businessmen to assure them that the guerrillas do not seek a Cuban-style state. But, at the same time, the rebels attacked the recent elections, murdered elected civilian officials and are now predicting "mass insurrection" at a moment when most Salvadorans wish the guerrillas would dry up and blow away.

A sign of rebel efforts to shift their strategy came in January 1989, two months before the last elections, when the guerrillas made a major new political proposal. They offered to respect the results of the elections if the vote were postponed for six months. But they then added a series of conditions that made negotiations tantamount to surrender by the government. The guerrillas demanded that the army be reduced by more than 40,000 men. The guerrillas themselves, however, did not offer to disarm even as they glibly demanded the elimination of the army as an effective force. In addition, the rebels' offer came at a time when their actions, such as murdering government officials and exploding car bombs, have not encouraged greater tolerance. The government charges that the rebels' real goal is to use negotiations to isolate the government internationally, reduce its support in Washington and weaken it in El Salvador.

The government is probably right. Last year the Salvadoran army captured the guerrillas' plans for their strategy during 1989. Rebel officials acknowledge that the documents are

[1] Diplomats and influential rebel supporters say that the Soviets have asked the rebels to modify their militarism and that the rebels are sobered by the travails of Nicaragua—especially since they are unlikely to get much of a Soviet subsidy should they ever win power.

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authentic—a conclusion reinforced by the fact that the rebels have done almost everything the captured plans state they would do. The documents reveal the most rigid, arid Marxist analysis imaginable and outline a strategy of revolutionary war based on sabotage, terrorism, military attack and negotiation. They raise strong doubts about the intentions of both the Salvadoran rebels and their Sandinista allies and may give cause to expect stepped-up actions by growing Marxist guerrilla groups in Honduras.

The Salvadoran rebels call their strategy Plan Fire. Their main planning document, titled "Strategic Appraisal," was captured by the army. It states: "The tendency of the war is to deepen, and this will be dominant in Central America despite the wave of negotiations. The Yankees are weakened but not beaten and will only leave the heart of the continent if they are politically and militarily defeated." The rebels show scant respect for the pacifist goals of the Central American peace treaty sponsored by Costa Rican President Oscar Arias; they point to Nicaragua as their model. The "Strategic Appraisal" states that the peace treaty:

> is, was and will continue to be a positive instrument of the revolution despite making it more complex, so long as the revolutionary forces use it offensively to divide and break up, maintaining concessions in a game of symmetry. The Yankees cannot give anything and must ask everything. The Sandinista popular revolution has established the basis for its symmetrical game; we have our own.[2]

The rebels define negotiations principally as a tactic to win power. The same document states: "In dialogue as such we must have as our central objective keeping the enemy tied at the table with a view to his strategic weakening and the building of a political umbrella against [foreign] intervention. . . . Dialogue is one of the forms of conspiratorial struggle and we must maintain it." The rebels then detail their effort to spur insurrection by destroying the economy and pushing the army to return to mass repression to hold off the guerrillas. "In synthesis, if they [the government] repress on a grand scale insurrection will accelerate as a response to the repression and if they do not do it, the insurrection will advance because of hunger and the crisis."

[2] The "Strategic Appraisal" was published in *Analisis*, the journal of the Instituto de Investigación Cientifica de la Universidad Nueva San Salvador.

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Despite such evidence of rebel thinking, an elected government presuming to lead a people exhausted by war has little choice but to seek renewed negotiations with the rebels. The government cannot afford politically to refuse to search for an end to the fighting, nor can it afford to surrender the political initiative to the rebels, as it did earlier this year. Even if the guerrillas offer further concessions, however, the government will have strong reason to suspect their intentions.

As the best-organized and most committed force in the country, the FMLN is likely to attempt to take over the government if ever it is able to negotiate a direct share of power. For that reason the government is likely to demand verifiable conditions for rebel disarmament and participation in supervised elections. But such a settlement appears far, far away. At present, neither side in the conflict is willing to trust or even tolerate the other. The Salvadoran army has always repressed the left to keep it from growing. For their part, the rebels want to win. I once asked Villalobos at what point in a negotiated settlement he would be willing to lay down his guns. His terse answer was: "Never." Thus, this is a war that is likely to be fought, militarily and politically, until one side prevails.

The rebels are totally committed but they are also pragmatic. They carry out limited assassinations and terrorist bombings with calculated, rational purpose. The FMLN knows that killing is politically costly and that it is not necessary to kill many in order to scare people into obedience or at least fearful neutrality. Unlike the almost irrational terrorism of the army, the rebels have not raped, tortured or massacred entire villages of people. But they did kidnap President Duarte's daughter, machine-gun a restaurant full of civilians in order to kill four U.S. marines, murder the leading villagers in the town of Cacaopera and set off car bombs at a popular hamburger stand and in front of a civilian health clinic that happened to be beside an army base. In the months ahead, it is likely that the rebels will strike harder than ever, using whatever tactic they believe is most effective.

## VI

How is it that a ragtag band of students, aging Communist Party dissidents and a few angry trade unionists and radical Catholic priests built a honed guerrilla army and political organization? They did it slowly, beginning with Carpio's efforts in 1969. They were greatly helped by Marxist allies such

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as Castro, but by far their most important resource was the deep anger that decades of dictatorship sowed among the Salvadoran lower classes and frustrated offspring of the emerging middle class. They chose to fight, to become Marxists, because to them capitalism means poverty for the majority and de facto dictatorship. That choice was often based on bitter personal experiences of army repression and murders of loved ones, as well as of crushing poverty and rigged elections stolen by corrupt regimes.

In 1981 the FMLN launched a "final offensive" that the army beat back, unleashing a killing spree against tens of thousands of suspected rebel sympathizers. One could not drive around the capital of San Salvador between 1979 and early 1982 without finding tortured bodies of men, women and sometimes children littered along the road. Washington did almost nothing to stop the carnage until 1983.

Badly bloodied, but still determined, the guerrillas sent their best surviving cadre after early 1981 to Cuba and Vietnam for advanced military training, according to several former rebels. They say virtually all top military commanders have had at least some training abroad. Miguel Castellanos, a senior guerrilla commander who deserted in 1985 only to be shot dead as a "traitor" by rebel assassins last February, described his training in Vietnam in 1983. He was in the third group of rebels to go to Vietnam, he told me. His graduation exercise was to stage a mock assault on the former American embassy in what had been Saigon, mastering the Vietcong's techniques. Guerrilla sappers may similarly penetrate the embassy in San Salvador one day.

While the FMLN appears to be highly self-sufficient, no guerrilla army can fight for nine years without significant outside aid. The army captured rebel commander Nidia Díaz in 1985 and found that her personal diary contained plans to send more than 30 rebels to Vietnam and other communist countries such as Bulgaria, East Germany and the Soviet Union for training. It was Castro who convinced quarreling rebel factions to unite in 1980, just as the Sandinistas united at Castro's urging. Today the Salvadoran rebels rely on outside sources principally for ammunition and new weapons, which appear to come from corrupt officials in Honduras, Guatemala and Panama, as well as from the governments of Cuba, Vietnam and Nicaragua. Sixty percent of the M-16 rifles captured from the rebels have serial numbers that match weapons sent by the United States

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to Vietnam, according to American officials. Cuba and Nicaragua formally deny militarily aiding the rebels, but there is strong reason to doubt their denial.

Castro, the Cuban ambassador to Nicaragua and senior Sandinista officials helped plan the rebels' 1981 offensive, according to four former senior Sandinista officials, one of whom says he sat in on the planning. The guerrillas' first major attacks, to destroy the country's main bridges and the Salvadoran air force base, were planned and trained for in Cuba. General Rafael del Pino Díaz, the deputy commander of the Cuban air force who defected in 1987, says he personally watched Cuban Special Operations officers training the Salvadoran rebel unit that attacked the air base in 1982 after being reinfiltrated via Nicaragua. When the army captured Nidia Díaz, it found documents detailing guerrilla meetings to secure supplies from Sandinista officials and Castro. One rebel cable to the Sandinistas in October 1983 said: "We thank you for all the help you've given us and we hope it will continue because it is indispensable to defeat whatever form of invasion on Central American soil." Another cable speaks of asking Castro to ensure that supplies from Nicaragua keep flowing.

Last year, Sergio Alejandro Gutiérrez López, the chief of Nicaraguan naval intelligence at the Pacific port of Corinto, defected to El Salvador. He said he personally helped send two large shipments of Soviet arms to the Salvadoran guerrillas at the end of 1987 on orders from senior Sandinista officials. I interviewed a former rebel, now living in quiet anonymity, who also gave a convincingly detailed account of shipping weapons from Nicaragua to El Salvador through 1987. The rebels have traditionally used American-made weapons from Vietnam or captured from the army. But the Salvadoran army is now capturing East-bloc AK-47 rifles and Russian sniper rifles from the rebels and new ammunition that American officials contend is manufactured in Cuba. The guerrillas claim that their AK-47s come from deserting contra rebels who carry East-bloc weapons, but U.S. officials counter that the model of AK-47 captured from the Salvadoran rebels is different from the models used by the contras. The Sandinistas formally deny arming the guerrillas, but often acknowledge a far broader degree of support in private conversations.

Roger Miranda Bengoechea, the chief assistant to Sandinista Defense Minister Ortega, defected to the United States in 1987. He contends that Nicaraguan support for the rebels is

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directed by an office of the Sandinista party's Directorate of International Relations. American and Salvadoran officials say rebel radio traffic is transmitted daily to safehouses and offices in Nicaragua. Last year Villalobos and fellow commander Leonel González began a rare trip abroad, including lengthy consultations in Cuba and Managua (as well as a meeting with President Arias in Costa Rica). They moved with apparent ease from a war zone in El Salvador directly to Managua and then on to Cuba. They and the other three top rebel military commanders reportedly met together recently in Managua for a general planning session.

If such outside aid were ended, the guerrillas would weaken and probably could never win the war. But they would remain a potent challenge. The rebels are well organized and have enough popular support to continue fighting for years. The FMLN has stockpiled ammunition and, with the expertise they have gained in the long war, the rebels now train and organize themselves. Former guerrillas say the FMLN has invested in banks and businesses in Latin America, Europe and the United States that, along with local "war taxes" and international solidarity groups, yield enough to keep the rebels on their feet. A second generation of young fighters is entering rebel ranks, mostly teenage children of rebel families who have known only fighting. Meanwhile, the government has failed to demonstrate that it can improve life for the majority of Salvadorans.

But even though the rebels are waging the most concerted revolutionary struggle ever seen in the hemisphere, the odds may be against them. Marxists took power in Cuba and Nicaragua by camouflaging their most doctrinaire intentions in a broad-based insurrection to overthrow a single dictator. The long war in El Salvador has made it difficult for the rebels to conceal their narrow ideology. That has made it hard for them to convince the majority of Salvadorans to support the FMLN.

The guerrillas are hitting hard now because they believe the next year is decisive. They do not want the new government to consolidate. Furthermore, they fear that the future might be more difficult if the Soviet Union under Mikhail Gorbachev carries out his pledge to discourage the "export of revolution." The Central American peace plan also could make it more difficult for the rebels to get outside aid, especially if the Sandinistas reach an accord with their internal opposition and the United States. The FMLN may be able to overcome such still-theoretical difficulties by relying on Fidel Castro, the aging

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high priest of insurrection and the rebels' firmest ally. But a willingness on the part of the United States and other countries to take up this issue seriously with Cuba, Nicaragua and the Soviet Union might have an effect.

VII

What are the prospects for El Salvador? In the next months the rebels will take harsh steps to make the war bite as deeply as possible. In the last year the FMLN has carried out terrorist attacks in what appears to be a premeditated effort to scare the public into submission or panic. Car bombs in the cities, rebel bans on road traffic and other sabotage and assassinations have resulted in a large increase in civilian deaths at rebel hands. The guerrillas also have murdered eight mayors, a few justices of the peace and a departmental governor, while issuing death threats that have led more than 100 other mayors to resign. Although they have not claimed responsibility, the rebels are believed to have murdered the ARENA-appointed attorney general in April and bombed the family homes of several army officers and the newly elected vice-president.

This is the first time the rebels have appeared to be as abusive to civilians as the army has. But the guerrillas seem to be gambling that their tactics will polarize the situation to their benefit. The rightist government, however, may have enough public support to weather the rebels' blows, especially if the guerrillas' terrorism provokes a public reaction against them. If U.S. support continues, and if the army blunts the guerrillas' current offensive without resorting to massive human rights violations, the government is likely to survive. But a bloody, draining conflict will drag on for years unless the government and the army break the guerrillas' capacity to prolong the war.

The rebels' decision to kill mayors may be a sign that for the first time the FMLN feels politically threatened by improving local government. In the single most effective program in the country, the government and the U.S. Agency for International Development (AID) are giving significant funds directly to villages for schools, clinics, roads, water and electricity. Almost all the mayors the guerrillas have killed were directing such village projects.

The village development program, known as "Municipalities in Action," should serve as a model for future American development aid in El Salvador and perhaps elsewhere. It is being expanded into the rebel-dominated north in a broader

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effort called "Chalatenango '88." Such programs' success should prompt a long-overdue outside review of the way AID has given hundreds of millions of dollars to often corrupt, bloated state bureaucracies in El Salvador. This latter assistance has not bettered the lives of the majority of Salvadorans, and creates greater government dependence on American handouts. AID is the most important but least effectively used agency participating in U.S. policy in El Salvador; its program needs to be overhauled.

But before deciding that such continued U.S. involvement is merited, senior American officials should now step back and conduct a high-level review to find out why the Salvadoran government, army and the U.S. embassy have failed to be more effective after ten years of effort. The main answer is likely to be that the army and government have failed to reform themselves sufficiently. If army officers and politicians in El Salvador do not change their thinking and their policies, U.S. efforts will fail.

Before the Bush Administration commits itself in El Salvador, it also must clearly define its policy objectives in detail and convey them to the Salvadoran government and army, as well as to the U.S. Congress. No steps should be taken until the administration secures Salvadoran agreement on a common, coordinated policy. That agreement is currently lacking. The administration should then carry out its prescription with maximum commitment. Military measures deserve serious attention, but political and economic measures will be even more important. Congress should monitor the progress, pressuring the administration and the Salvadoran government as necessary. There should be no illusion about quick or easy results, but deadlock should not be tolerated. Because this is a controversial and problematic policy, it should be undertaken with humility and pragmatism, qualities too little seen in U.S. actions in Central America. No one has a certain template for reordering this traumatized country, so the way must be left open for a change of course, if conditions alter or the policy proves unsuccessful.

On the military front, U.S. officials should be more aware that they are involved in a deadly serious war against an impressive and totally committed adversary. To end the current military stalemate, U.S. officials should stop telling the Salvadoran army that it is winning the war. The Pentagon, which has not taken the war seriously enough, should wake up

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to the fact that the guerrillas have succeeded in making the war interminable. To win, the army will have to move permanently into the areas where the guerrillas live and fight them there. But military actions will fail unless supported by government programs.

Such programs should aim at demonstrable economic, political and social development that directly benefits the people in the slums and villages, instead of pumping cash into the central bank to prop up businessmen who have ample savings in Miami. After $2 billion in U.S. economic aid, many children still die from dirty water and worms, and most of those who survive cannot get an education or a decent job. The Salvadoran government should now be pressed to mount effective national campaigns for literacy, local health clinics, birth control, clean water and effective use of land and land reform. It has never attempted to assist the majority in these ways. Better land use will probably mean giving property titles to the peasants now occupying inefficient government land reform cooperatives and providing them with technical assistance to make the land productive. The peasants should not be allowed to sell the land for at least a decade, in order to assure that it remains redistributed.

On the political front, American officials should encourage the Salvadoran government to pass a well-defined antiterrorism law that would allow the army to jail suspected rebels instead of shooting them. The United States should even more strongly pressure the army to stop killing and torturing civilians and suspected guerrillas—and should back this demand with public denunciations and public reductions in aid until the army changes its ways. Notorious past human rights abusers, now protected by an ill-advised amnesty, should be retired. The air force, which is the most politically backward and one of the most abusive units in the military, needs to be shaken up.

Other political goals should be to encourage the growth and physical safety of the democratic left and a free press. Washington should also push for speedy punishment of the army officers who ordered the killing of ten peasants last September, as well as punishment for the already jailed members of an army and ARENA kidnapping ring. The United States should press its current program of judicial reform, which is moribund because of opposition from the ruling class and army. The government's progress on this issue will be a key indicator of its commitment to reform.

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Alfredo Cristiani has yet to show how reform-minded he actually is. But any help he seeks to deal with the killers in his own party should be extended within the limits of U.S. law. Suspected death squad members now living in the United States should be deported. D'Aubuisson and several of his cronies, well known to the U.S. embassy, should be listed as suspected terrorists and permanently denied U.S. visas. Americans should never forget that D'Aubuisson publicly defended the men who ordered the murder of two American agrarian reform advisers. He called the killers "patriots." Another close D'Aubuisson associate is the leading suspect in the murder of Archbishop Romero and still another planned to kill the American ambassador.

While taking these steps, the United States should always keep open the option of a negotiated end to the war. It should publicly seek contact with the FMLN and its allies in Nicaragua, Cuba and Moscow. The guerrillas should be encouraged to modify their demands, moderate their outdated Marxism and be offered international guarantees of security to contest the municipal and legislative elections in early 1991. In return, the guerrillas might fairly demand the retirement of army officers who are notorious human rights violators.

VIII

In the best of circumstances the United States faces spending at least another decade, billions more dollars and probably more lives grappling with the heavy tasks in El Salvador. Even with luck, it will take additional decades for the country to heal, as is indicated by the experiences this century of Spain and Greece. There is no assured way to knit a unified society out of the tattered remnants of the semi-feudal system that El Salvador, in the midst of war, has begun to abandon but has not yet replaced. Should the Salvadoran government and the army plainly demonstrate that they are unwilling to press reform, then Washington should seek a diplomatic settlement that permits the United States to withdraw. While the American public and Congress will support a Salvadoran government that works to improve El Salvador, they are unlikely to prop up a government that refuses to reform.

If such a day comes, the army may well try to carry out a draconian Guatemala-style bloodbath to destroy the rebels. If instead the rebels win, it is impossible to predict whether their more pragmatic or sectarian side would predominate. The

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Marxist rebels might well prove a worse alternative for El Salvador. But there are talented pragmatists among the rebels who may have a greater say once the fighting is over. In the event of an FMLN victory, the United States should attempt to reach an understanding with the guerrillas, though it promises to be a difficult relationship. The experience of other countries indicates that it would probably take the rebels at least a decade to establish their authority and discard their most doctrinaire Marxist precepts.

The United States cannot force the Salvadoran army and governing elite to carry out long overdue reforms. Nor can it democratize El Salvador by itself. That is a task that only Salvadorans can choose and complete for themselves. All the United States can do is make a last good-faith effort to convince the government and the army to help themselves by helping their people. This message should be bluntly and frankly delivered to the Salvadorans. If that effort fails, the United States should disengage and seek international support to limit the war that will follow. Americans should then be prepared to show tolerance for whoever wins the Pyrrhic prize of rebuilding a country from the ruins of El Salvador.

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*Chas. W. Freeman, Jr.*

# THE ANGOLA/NAMIBIA ACCORDS

Last December 22, in New York, the chambers of the United Nations were witness to a most bizarre event. As a Soviet deputy foreign minister looked on approvingly, U.S. Secretary of State George Shultz presided over the signature by the foreign ministers of Angola, Cuba and South Africa of interlocking treaties accomplishing the removal of foreign forces from southwestern Africa. The three ministers made speeches. The Angolan managed a polite dig at South Africa and the United States. The Cuban was polemically sarcastic about both, and took a barely disguised swipe at the Soviets as well. The South African wound up with remarks that, inter alia, declared his country's solidarity with Third World resentment of Western domination of the global economy.

When this odd ceremony was over, the colonial era in Africa had finally drawn to a close. Both the 13-year presence of Cuban expeditionary forces in Angola and the three-quarter-century-long South African administration of Namibia, somewhat incredibly to all present, were set on the way to ending. Diplomats and generals from Angola, Cuba, South Africa, the Soviet Union, the South West African People's Organization (SWAPO) and the neighboring African states raised their glasses to the historic achievements of an American mediation effort that they had spent nearly a decade denigrating and obstructing.

How did the United States, which had no significant historical ties to southern Africa and few concrete interests there, come to play a central role in the resolution of that region's problems? How did the United States, which does not recognize Angola, has no diplomatic relations with Cuba and has severely strained relations with South Africa, come to be the indispensable mediator of a peace between them? How did southwestern Africa, which had become a focal point of East-West contention, emerge as a symbol of creative diplomatic cooperation

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Chas. W. Freeman, Jr., was principal Deputy Assistant Secretary of State for African Affairs from April 1986 until May 1989. Copyright © 1989 by Chas. W. Freeman, Jr.

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between Washington and Moscow in the resolution of regional disputes?

II

Angola had been occupied by Portugal for nearly five centuries when it gained independence as a result of the Portuguese revolution of spring 1974. In January 1975 an agreement was reached at Alvor—a resort town on the Algarve—between Lisbon and the three liberation movements active in Angola. The Alvor Agreement envisaged a tripartite coalition government leading to an election and independence on November 11, 1975. The accord was doomed from the start.

Each of the three liberation movements in Angola had different domestic and international constituencies, including supporters in Portugal. The Popular Movement for the Liberation of Angola (MPLA) drew its support from urban black, mulatto and white intellectuals and the Kimbundu living around the capital of Luanda, who make up just under a fourth of Angola's population. Led by the brilliant Marxist poet, Agostinho Neto, the MPLA had long been supported by Cuba and the Soviet Union, but it had only limited military capability.

The National Front for the Liberation of Angola (FNLA) was drawn almost entirely from the Bakongo, who spill over the borders of Angola, Zaïre and the Congo, and who comprise about a sixth of Angola's population. Led by Holden Roberto, related by marriage to Zaïre's President Mobutu Sese Seko, the FNLA was backed by Zaïre and the United States, as well as North Korea and China, and had the largest armed force of the three contenders for power.

The National Union for the Total Independence of Angola (UNITA) drew its support from the Ovimbundu, who make up nearly two-fifths of Angola's people, and the Balunda, another sixth of the population. Led by the charismatic polymath Jonas Savimbi, UNITA was allied with SWAPO against South Africa and backed by China, Tanzania and Zambia. Although it had the least well equipped army, UNITA had been the only one of the three Angolan liberation movements to mount a sustained rural insurgency against Portuguese rule.

Most informed observers, including a survey team from the Organization of African Unity, foresaw that UNITA would win at least a plurality, and possibly a majority, in the elections to be held under the Alvor Agreement. The election to power of a rural-based, pro-Chinese movement like UNITA was not ac-

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ceptable to the pro-Soviet Portuguese flag officer then in charge in Luanda, Admiral Rosa Coutinho. Nor did the MPLA and the FNLA relish the prospect of such a test at the polls. By March 1975 Coutinho had arranged for Cuban soldiers to train a greatly expanded MPLA army at bases near Luanda, and Soviet equipment for it had begun to pour into the country. Chinese trainers expanded their efforts with the FNLA in Zaïre. Before the end of the summer, the FNLA and UNITA had reached out to South Africa and the United States as new sources of armament, and Cuban combat troops had arrived at Luanda. The Cubans held off an invasion by the FNLA and its Zaïrean supporters.

In the early fall South Africa joined UNITA in a drive on Luanda, which was fended off only by new Cuban reinforcements. The taint of de facto collusion with South Africa was too much for China, North Korea, Zambia and Tanzania; they withdrew their support from the FNLA and UNITA. As the U.S. Congress voted to withhold further support from the FNLA and UNITA, South Africa also withdrew, leaving the field to the Cubans, who installed the MPLA in power in Luanda and decimated the FNLA's and UNITA's remaining military forces.

In the ensuing years, much to everyone's surprise, the MPLA failed adequately to broaden its base of popular support in Angola; the Cuban military presence did not recede but grew steadily. UNITA's constituency proved loyal enough to allow the group to reconstitute itself. UNITA reemerged as a significant military threat to MPLA control of the country and as an effective resistance to the Cuban presence. A resurgent UNITA attracted resumed South African support, and the South African Defense Forces based in Namibia began to extend their periodic sweeps of Namibian guerrilla bases in southern Angola more broadly to frustrate MPLA/Cuban offensives against UNITA.

By the beginning of the 1980s Luanda faced not just an increasingly formidable opponent in the continuing Angolan civil war, but also a seemingly perpetual threat of direct intervention and invasion from the South African Defense Forces in Namibia. As the decade proceeded, the military and economic costs of meeting these challenges mounted steadily, and Luanda lost control of all areas near Namibia.

Namibia itself had been an imperial German colony until it was seized by South Africa in 1915, during World War I. After World War II the South Africans claimed that their League of

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Nations mandate over Namibia was still valid. A long series of legal and political battles ensued. SWAPO began a military campaign in Namibia against the South African occupation, but the South African forces dealt with it with almost contemptuous ease. The United Nations and the International Court of Justice declared South Africa to be in illegal occupation of Namibia and ordered its forces out. Pretoria showed no convincing sign of complying with these orders.

In the late 1970s South Africa gave lip service to the plan of U.N. Security Council Resolution 435 for Namibian independence, which was sponsored by the United States and other Western powers, but gave every indication of planning to stay there indefinitely. Its obstinacy was bolstered by the increasing Cuban military presence to Namibia's north in Angola. South Africa calculated that it was best to keep the Cubans, the only force capable of challenging South African military supremacy in Africa, as far away from its borders as possible. From Pretoria's perspective, UNITA's strength was a bonus; it constituted a screen to tie down the MPLA and Cubans, to keep them even further away from South African territory and—as the old alliance between SWAPO and UNITA was replaced by fighting between them—to push SWAPO even more off balance.

III

As people in the region and abroad looked at the mess in southwestern Africa, they saw different problems and priorities. For many, the ending of apartheid in South Africa had such transcendent importance that other objectives, including the release of Namibia from South Africa's grasp, seemed diversionary. For others, Cuban intervention in Angola and Soviet involvement there were the only issues worthy of concern. Still others saw the sole objective as insisting on South African compliance with U.N. Resolution 435 and achieving independence for Namibia. For some, support for Jonas Savimbi's UNITA against the Marxist regime in Luanda was the goal to be pursued; for others, UNITA was anathema.

Each of these viewpoints found its supporters on Capitol Hill as well as in Africa and Europe. The existence of so many conflicting *idées fixes* about a single region guaranteed that no American policy could correspond to the unidimensional priorities of a large number of countries and politicians, and that any policy would be met with more carping than applause. So it was no surprise when that was in fact the reaction to the

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approach of the Reagan Administration's assistant secretary of state for African affairs, Chester Crocker.

The U.S. approach was comprehensive rather than responsive to a single agenda. It began with the identification of possible common interests among Angola, Cuba and South Africa that these countries themselves did not recognize. It took into account the interests of the Frontline States of southern Africa, SWAPO and UNITA. It built on the fact that the United States shared some of these interests with each of the parties, even as we differed with them on others. Like Luanda, Havana, the Frontline States and SWAPO, Washington wanted independence for Namibia. Like Pretoria and UNITA, we sought the withdrawal of Cuban forces from Angola. Like UNITA, we were interested in a political settlement and peace between Angolans that would remove the proximate cause of East-West entanglement in Angolan politics by ending the civil war on a basis acceptable to both sides.

There are at least two basic approaches to an apparently intractable problem if a frontal assault seems unlikely to work: one can either disaggregate the problem and attack it piece by piece, or one can link the problem to issues that open the possibility of trade-offs between an expanded list of parties. Reality linked the problem of Namibian independence with that of Cuban troop withdrawal from Angola: the South Africans were unlikely to leave Namibia while Cuban troops remained in Angola. Crocker saw that acceptance of this "linkage" could promote a broader peace in the southwestern African region.

Luanda's desire for freedom from South Africa's direct intervention could be answered by the creation of a buffer state in the form of an independent Namibia between Angola and South Africa, from which the South African military had withdrawn. (There was no need to negotiate the terms of the South African withdrawal or Namibian independence; these had already been spelled out in 1978 in U.N. Security Council Resolution 435—a major achievement of American alliance diplomacy in the late 1970s.) Cuban troop withdrawal from Angola would constitute a gain for South Africa sufficient to justify its actually implementing Resolution 435. Angola and South Africa would gain the security from external threats that they sought; Cuba would be credited with having compelled South Africa to yield the independence it would otherwise not grant to Namibia. The Soviet Union would gain a reduction in

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East-West tensions, some easing of its relationship with the United States, and relief from the expense of financing a seemingly endless war in an area not of vital interest to it. UNITA would gain the withdrawal of the Cubans, and increased pressure on the MPLA to make peace, as Luanda lost its Cuban backing.

This diplomatic scheme was based on a realistic appraisal of the ultimate interests of the parties, but reaction to it was entirely predictable. Politicians derided it as immoral, because it meant dealing with South Africa and Cuba and taking their interests into account; lawyers declared it illegal, because it required Angola and Cuba to make concessions in the interest of having South Africa do what Resolution 435 already directed it to do; academics and pundits pronounced it inherently unworkable and doomed to failure in the face of presumed South African and Cuban intransigence and opposition from the Frontline States.

Objections from all quarters reached a peak as the United States resumed assistance to UNITA in early 1986, after a ten-year hiatus. The right wing found the U.S. objectives of blocking a military victory by the MPLA and its allies and forcing them to the negotiating table to be excessively modest (even though these were precisely UNITA's own long-standing objectives). The left declared aid to Angolan insurgents to be immoral, especially so because UNITA also accepted help from South Africa. Almost everyone predicted that the resumed U.S. relationship with UNITA would make Washington unacceptable as a mediator. But no one put forward an alternative to the concept of linkage as the basis for a possible settlement.

Right and left—including many politicians and academics from the United States—visited the area frequently during the eight-year-long negotiations, counseling their respective friends to ignore Crocker's mediation effort and to hang tough until it failed. As the talks proceeded, sanctions were advocated and actually imposed on South Africa, Namibia and Angola by the U.S. Congress without regard to what was happening in the negotiations. (As late as the fall of 1988, when the Angola/Namibia talks were at a particularly promising but delicate stage, the House and Senate were not interested in hearing about them as they considered escalating the U.S. economic warfare against South Africa.) When the U.S. presidential elections approached, the negotiations broke off as the Angolans, Cubans and South Africans waited to see whether Dem-

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ocratic candidate Michael Dukakis would be elected and American mediation efforts ended. (He had pledged to sever most U.S. relationships with South Africa, to end aid to UNITA and to abandon the linkage approach.)

The first stage of the negotiating process was devoted to convincing the parties to accept the concept of a trade-off between South African and Cuban withdrawal from the region. This stage was prolonged by the conflicting advice the parties received from their friends abroad and in the region. But by 1982 the South Africans had recognized the linkage between their own interests and those of Angola and Namibia. After two more years of diplomatic effort Angola put forward a proposal—the "Plataforma" of November 1984. While deriding the concept of linkage, the "Plataforma" corresponded to it. It proposed the partial withdrawal of Cuban forces—those in southern but not northern Angola—in return for South African implementation of Resolution 435. Meanwhile, proximity talks in Lusaka, Zambia, brokered by the United States, produced an agreement on mutual disengagement and South African withdrawal from southern Angola. But these arrangements broke down as South Africa raided the oil-rich Angolan province of Cabinda, and Luanda launched an offensive against UNITA's stronghold in southeastern Angola.

The second stage of the negotiations focused on persuading the MPLA and its allies that, while Cuban troops could prevent a South African-imposed military solution in Angola, there was no prospect that they could either remove the South African threat to southern Angola or achieve a military victory for the MPLA over UNITA. This was an unpalatable truth for the MPLA to accept. The resumption of U.S. aid to UNITA was designed to underscore it. This aid was a particularly bitter pill for Luanda to swallow, and the MPLA broke off contact with the U.S. mediator for a time.

But as the war continued in a stalemate, and as each move by one side was successfully countered by the others, the infeasibility of a military solution became increasingly difficult to overlook. As the human and economic costs of war escalated for all parties, they became convinced that there was no alternative to a negotiated settlement.

Angolan nationalists chafed under the tutelage of the growing Cuban expeditionary force and yearned for relief from the economic and social collapse brought about by the war and the failure of Soviet-inspired policies. Neither the objectives of

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nationalism nor economic development could be pursued while Cuban and South African forces prowled the Angolan countryside, defense expenditures (and debt to allies) spiraled out of control, and reliance on the Cubans locked Angola into an East-West context that precluded essential cooperation with Western economies and financial institutions. But only the removal of the Namibia-based South African threat and an end to South African aid to UNITA could justify to Luanda the risks inherent in the departure of its Cuban allies.

The South Africans found it increasingly difficult to justify heavy military expenditures on their intervention in Angola and defense of Namibia, the white casualties and the rising cost of subsidizing their ungrateful Namibian colony, especially as these actions diverted resources from efforts to calm their own domestic "revolutionary climate" through advances in black educational and living standards. But they needed a political and strategic victory to show that the benefits of letting Namibia go free and leaving Angola to its own fate outweighed the costs.

The Cubans, having invested their prestige and the blood of their youth in the inconclusive war in Angola, had come to see it as a quagmire. They needed a way to be able to declare their "internationalist" mission honorably fulfilled. A visible Cuban role in the achievement of Namibian independence and the consequent removal of the South African threat to Angola's sovereignty and territorial integrity could provide the political victory and security gains they needed to allow them to go home.

Finally, as the Soviets embraced perestroika and looked afresh at southwestern Africa, they came to see their escalating exposure as more expensive in both economic and political terms than their interests could justify. They sought to cut their losses, and to do so in a way that would gain them a reputation as responsible international actors with the United States and the West more generally.

The parties had no way to talk to each other; only the United States was in touch with all of them and willing to broker peace. The only available framework for a settlement was the concept of linkage and the only plausible mediator was Assistant Secretary Crocker.

By the spring of 1987, with the help of African countries increasingly disgusted with the spectacle of an escalating foreign troop presence and endless war in Angola, Crocker was

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back in touch with the MPLA. The first part of this last stage of the negotiations focused on the terms under which Cuba would be allowed to join the talks as a member of a joint Cuban/Angolan delegation. The issue was whether such a delegation would be empowered to discuss the withdrawal of all Cuban forces from Angola rather than, as the "Plataforma" had offered, only some of them. But, as it began to become clear that total withdrawal could be on the agenda, the negotiations were again derailed by a massive, Soviet-planned MPLA offensive against UNITA in the fall of 1987.

The results of this offensive, which the South African military helped UNITA to defeat decisively, were far-reaching. The South Africans were tempted into an ill-fated effort to score a knockout blow against the MPLA at Cuito Cuanavale. Faced with this, the Cubans decided to raise the cost of the war to South Africa and block an assault on Cuito Cuanavale by escalating the direct threat to Namibia. Some 15,000 Cuban regulars, massively equipped with armor and antiaircraft weaponry, were deployed from Cuba to areas in southwestern Angola near the Namibian border. Until then this area had been the unimpeded hunting preserve of South African forces going after SWAPO. It was also the site of dams on which northern Namibia depends for its water supply. During the spring and summer of 1988, as the negotiations moved into high gear, the Cubans achieved air superiority over the South Africans, underscoring that a large-scale South African mobilization and very heavy casualties would be necessary to dislodge them. Contemplating a choice between a negotiated settlement and bloody battles that would not alter the basic military balance between them, South Africa and Cuba were forced seriously to contemplate the compromises necessary to reach agreement.

## IV

In late January 1988 Cuba had joined the Angolan delegation at talks with the United States in Luanda. The Cubans confirmed that they were prepared to negotiate their total withdrawal in return for Namibian independence under U.N. Resolution 435. Talks in March between South African Foreign Minister R. F. "Pik" Botha and Assistant Secretary Crocker in Geneva confirmed South Africa's continuing willingness to settle on this basis. Parallel talks between Crocker and the Soviets for the first time suggested Moscow's interest

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in facilitating such a settlement. In May the United States as mediator assembled Angolan, Cuban and South African diplomats (and, equally or even more important, the chiefs of their respective military general staffs) in London, inviting the Soviets to be present outside the formal talks as counselors. South African dialogue with the Soviets helped to convince both of them that a settlement was indeed possible. With behind-the-scenes help from the Soviets (who talked to all parties and kept the U.S. delegation apprised of the results), the United States pushed the parties to hammer out an agreement in principle on a settlement based on the linkage concept that Crocker, who chaired the sessions and shuttled between delegations at all hours of the day and night, had formulated eight years before.

Over the summer of 1988, despite occasional lapses into polemics, this basic agreement was refined and committed to paper. It found expression in an agreed statement of principles issued after a meeting at Governor's Island in New York, and in a protocol establishing a de facto cease-fire and confidence-building measures among all parties, reached in Geneva. By the beginning of September all South African forces were out of Angola; Cuban forces along Namibia's northwestern borders with Angola had adopted a visibly less aggressive posture; and a joint military monitoring commission had been set up to maintain mutual disengagement and peace along the border. Cuba stood down from attacks on UNITA, while Angola and Cuba persuaded SWAPO to pull back from Namibia's borders and to declare its own cease-fire with South Africa. Cuba began a quiet dialogue with UNITA on prisoners and other issues, including—very likely—the shape of a possible internal political settlement in Angola.

A series of meetings in Brazzaville over the course of the fall produced agreement on the final elements of a trilateral treaty among South Africa, Angola and Cuba and the outlines of a related bilateral treaty between Angola and Cuba specifying a schedule for the phased total withdrawal of Cuban forces from Angola. The "Protocol of Brazzaville" committed Angola, Cuba and South Africa to sign these treaties and established a Joint Commission, in which the United States and the U.S.S.R. were invited to participate, to oversee the peace.

The treaties themselves were signed in New York on December 22, 1988. They traded South African withdrawal from Namibia and its independence under Resolution 435 for Cuban

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withdrawal from Angola. The Cubans agreed to leave southern Angola by stages in seven months, by which time half of their 50,000 troops in Angola would have returned home. Cuban forces would be out of all of Angola in 27 months. As a confidence-building measure, Cuba withdrew 3,000 combatants between January and March; implementation by both sides was set to begin in earnest on April 1, 1989.

V

This all sounded logical and straightforward, but it was not. These were governments of vastly different decision-making styles and capabilities, all of them isolated and with varying degrees of suspicion about the United States and Crocker.

Angola's president, José Eduardo dos Santos, faced a divided politburo in which it was difficult to get agreement. The pace of the negotiations reflected his difficulties in getting a consensus and his inability to force one. His chief of staff, General Ndalu, ably represented his decisions at the negotiating table as they emerged.

Cuba's President Fidel Castro, on the other hand, was the undisputed master of his government, intimately involved in the direction of Cuban forces in Angola and directly in charge of his negotiators. The Cuban decision to raise the ante to South Africa after the failure of the Soviet-instigated offensive against UNITA in the fall of 1987 was a bold gamble by Castro to force a South African choice between peace and war. By the summer of 1988 Castro had found a highly professional negotiator, Carlos Aldana Escalante, to translate his military moves into an agreement allowing Cuba's withdrawal without dishonor from Angola.

South Africa's State President P. W. Botha presided over a government divided between civilians and security personnel who often work at cross-purposes. Pretoria's schizophrenic policies toward the Frontline States, especially Mozambique, have long reflected these divisions. But in its chief negotiator, Neil van Heerden, Pretoria found a diplomat of world stature able to work effectively with the equally thoughtful and sophisticated South African Defense Forces chief of staff, General Jannie Geldenhuys. Together they managed to forge unity between both sides of the South African national security apparatus. President Botha's decision-making was eased by the existence of an almost unprecedented consensus between his chief military and diplomatic advisers.

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This consensus began with agreement on the fruitlessness of continued engagement in southern Angola once the Cubans had positioned themselves to respond with attacks on northwestern Namibia. Dislodging this impressive new Cuban presence in the Angolan south would have required a politically unpopular mass mobilization of South African forces and a bloody counterescalation. The alternative, a negotiated Cuban withdrawal from southern Africa, thus became an even more important objective for South Africa than before. Heavily front-loaded Cuban withdrawal and rapid Cuban redeployment out of southern Angola came to be seen as likely to favor UNITA in its struggle for power-sharing with the MPLA. Implementation of Resolution 435 could also reduce friction between South Africa and the international community, including the Frontline States and other African nations, thus buying more time for Pretoria to address its internal problems and freeing resources for it to do so. Finally, a sober reevaluation of the probable stance of an independent Namibia suggested that its dependence on South Africa would indeed compel it to function as a nonthreatening buffer state between South Africa and an Angola from which both Cuban and African National Congress guerrillas had withdrawn.

The Soviets, who had done everything possible prior to 1988 to block the negotiations, were moved by Mikhail Gorbachev's "new thinking" (helped, one imagines, by the MPLA's military debacle) to throw their weight behind a settlement. By the summer of 1988 Deputy Foreign Minister Anatoly Adamishin and African Director Vladillen Vasev were Crocker's reliable behind-the-scenes partners as his marathon mediation effort moved toward the finish line.

A more improbable grouping of countries to gather under American auspices would be hard to imagine, yet all parties to the Angola/Namibia accords eventually perceived that they would be better off if the deals they made were implemented than if they were not. The accords got them off the treadmill to nowhere on which they had been marching for so long. Convincing them that military victory was impossible for any side, and that the costs of the fighting in human, budgetary and political terms would continue to escalate for all, was central to their decision to give peace a chance. As their response to events since April 1 shows, nothing is likely to happen to make it advantageous for any party to return to war. For Angolans, however, the agony of the civil war remains

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unalleviated. The accords were structured to create an ineluctable logic in favor of a political settlement of that war.

In implementation of the Governor's Island principles, the African National Congress has withdrawn its military bases from Angola, while the South Africans have halted their assistance to UNITA. Relieved of the burden of association with Pretoria but well-stocked with weapons and ammunition and confident of continuing U.S. assistance, UNITA faces the MPLA with refurbished nationalist credentials and high military confidence. The Cubans are already standing apart from MPLA firefights with UNITA; by August 1 they will be north of the 15th parallel and therefore removed from all but the northernmost borders of UNITA territory. By November 1 half of the Cuban troops will be gone and all of those remaining will be north of the 13th parallel, which cuts Angola approximately in half. As the Cubans withdraw, the MPLA's fighting ability will deteriorate, more than matching the impact on UNITA of the South Africans' parallel withdrawal from the fray.

Neither the MPLA nor UNITA can hope for military victory. Savimbi has always realized this, and has put forward a series of imaginative and realistic proposals for peace. The MPLA is coming to realize that military victory is not possible. The issue now is not whether the MPLA and UNITA will sit down at the negotiating table, but when and how they will do so.

There are many African leaders interested in helping Angolans to craft a solution that would end foreign entanglement in their internal struggles. The Soviets and Cubans share Washington's perception that an internal Angolan political settlement is urgent. The Joint Commission established by the accords provides a ready venue for informal discussions between the United States and the MPLA on how to achieve one, but the key remains direct discussions between the MPLA and UNITA. Despite the difficulties in the path of peace, there is reason for optimism that it will be achieved—because neither the parties to the civil war nor their foreign backers have any alternative.

## VI

While promoting peace among Angolans remains a very high priority for the United States in southern Africa, the days immediately ahead will be dominated in large measure by monitoring the withdrawal of Cuban forces from Angola and assisting the complex transition in Namibia.

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The difficulty of this transition was amply illustrated on its very first day, when the 20th SWAPO Brigade and other insurgent forces crossed the Angolan-Namibian border in force in April. SWAPO's leadership seems to have ordered this move in part to lay the basis for a myth that armed struggle inside Namibia had made a decisive contribution to independence, when it had not. But the incursion was also clearly intended to prepare for a show of force during the independence process. The arms caches SWAPO infiltrators buried in northern Namibia contained large quantities of TNT, detonators and timers in addition to mines, heavy weapons, small arms and new uniforms. SWAPO timed its invasion to take advantage of the brief period in which South African forces had been confined to base and U.N. forces had not yet been fully deployed. Even had it been fully deployed, the U.N. Transition Assistance Group had no counterinsurgency capabilities and could not have dealt with over 1,600 heavily armed SWAPO infiltrators. South Africa was not about to allow SWAPO to gain the bases, military presence and "liberated zone" in Namibia it had failed to win in over two decades of war and diplomacy, still less to allow SWAPO to violate its obligations under Resolution 435 with impunity while holding South Africa to its own commitments.

Had this challenge occurred in the absence of the New York accords among Angola, Cuba and South Africa, the Namibian independence process would likely have been aborted in its first days and any possibility of implementing Resolution 435 permanently destroyed. But none of the parties to the linkage established in these accords was prepared to see what had been so painfully negotiated derailed by SWAPO's folly. With the acquiescence of the United Nations, South African forces were temporarily released from their bases to deal with the infiltrators.

The Angolan-Cuban-South African Joint Commission met several times with U.S. and Soviet observers (later joined by U.N. officials) to work out procedures to ensure the prompt removal of SWAPO forces from northern Namibia and their confinement to bases north of the 16th parallel in Angola, as had been agreed in the Geneva Protocol of August 5, 1988, and earlier accepted by SWAPO. These meetings were invaluable in restoring and sustaining mutual confidence. They went surprisingly smoothly, underscoring the commitment of all parties to full implementation of their agreements and their

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determination to deny SWAPO the ability to disrupt the deal they had made. The ferocity of the South African military reaction to SWAPO's incursion combined with firm Angolan and Cuban pressure on the SWAPO leadership to force it back into compliance with Resolution 435.

During the first six weeks of the Namibian independence process, the Joint Commission—the embodiment of the linkage between Angola and Namibia, which many at the United Nations continued reflexively to deride—proved its centrality to the settlement process, including the viability of the U.N. plan for Namibia. By mid-May the actions of the parties to the Joint Commission had restored the context for a resumption of the independence process. The crisis left behind it, however, grave questions about the capacity of the current leadership of SWAPO to participate wisely and effectively in governing the new nation to be born next year.

The stakes in Namibia are high. The Angola/Namibia negotiations may have taught the South African establishment that it is sometimes more effective to negotiate and accommodate than it is to bully and coerce. This is a lesson that could be applied at home, but it will be soon forgotten if Namibia turns out badly. The emergence of Namibia as a stable, decent society with a well-managed economy would inspire more rapid change away from apartheid in South Africa. But this outcome is far from certain. Should Namibia go the other way, the prospects for change in South Africa would be seriously set back.

## VII

As in the case of all negotiations and settlements, these accords did not resolve all issues of concern and even generated some new problems. But that does not detract from either their significance or the hopes they raise for resolution of other long-standing problems in the region, such as the anarchy and carnage in Mozambique. It may be too early to draw firm lessons from this unprecedented mediation effort by the United States in remote southwestern Africa. But I would like to suggest a few points for consideration drawn from the experience of the American team.

The only deal that will work is one that is good for all the parties to it and tolerable to those who have the capacity to wreck it; i.e., a peace without losers. A formula that has the

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logic of fundamental national interests behind it is worth sticking with; patience will reward such a formula.

Military force remains a persuasive tool of foreign and national security policy. Without South African intervention in Angola, there would have been no recognition in Luanda of an Angolan security interest in Namibia's independence and no Cuban consideration of withdrawal to realize it. Without Cuba's demonstration of its willingness to match South African escalation, there would have been no urgency to reach an agreement. Without U.S. aid to UNITA, there would have been no convincing stalemate to propel the parties to the negotiating table. Nor, absent a convincing U.S. commitment to help UNITA maintain its military balance with the MPLA, would the South African military have been willing to consider an end to its own aid to UNITA.

Finally, mediation is different from negotiation per se. It provides an opportunity to guide the parties to definitions of their national interests and toward outcomes compatible with the mediator's objectives, but in the end they—not the mediator—determine the results. At various stages in the Angola/Namibia negotiations, the parties gave in on points Crocker did not believe they needed to concede, and which the United States would rather they had not. Recognition of the limits of the mediator's role and of his power to compel a result is his first virtue; forbearance from pointing out the petty and grand stupidities of the parties to the negotiation is his second.

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*Thomas P. Thornton*

# THE NEW PHASE IN U.S.-PAKISTANI RELATIONS

After a period of more than a decade during which Afghanistan dominated the political situation in South Asia, the withdrawal of Soviet forces has significantly altered the political situation within the region. India and Pakistan face new realities, and outside powers will also need to readjust their policies to take account of the changing issues in the region.

The political developments within Pakistan over the past year—the dismissal of civilian government in June 1988, the death of President Zia ul-Haq in August, national and provincial elections in November and the accession of Benazir Bhutto to the prime ministership—have altered not only the internal scene in Pakistan, but also the context in which Pakistan relates to its neighbors and to the rest of the world.

The Soviet involvement in Afghanistan drew the United States into a much more active role in South Asia than it had played for over a decade; a restored U.S. relationship with Pakistan was the principal channel. In Afghanistan the United States achieved a signal policy success; the determination of both the Carter and Reagan administrations to back the Afghan resistance forces has paid off beyond all expectations. The restoration of democratic rule in Pakistan is also something in which Americans can take satisfaction. Although the overwhelming credit belongs to the Pakistani people (just as the success in Afghanistan belongs largely to Afghans), the United States played a more than marginal role by making clear its preference for the restoration of democracy.

Like most foreign policy successes, these two developments have spawned new problems. The United States must consider how to react to the Soviet withdrawal from Afghanistan: Should we use this favorable situation to enhance our role in

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the region along the Soviets' southern flank? Or should the United States reduce its heavy commitment in such a distant region and postpone thinking about South Asia until more pressing problems elsewhere have been taken in hand?

Similarly, the U.S. relationship with Pakistan needs reshaping. The Soviet withdrawal from Afghanistan reduces the need for an intimate relationship with Islamabad, but we must decide just what kind of bilateral relationship we want and how Pakistan may fit into whatever broader strategy we choose. The return of democratic government in Pakistan roughly compensates for what would have been a post-Afghanistan decline in America's interest there and improves the context of our bilateral relations. But it does not fundamentally change some of the major bilateral issues—especially Pakistan's nuclear program, the turbulent state of its politics, and the sheer size of the U.S. aid program in Pakistan (over $7 billion between 1983 and 1994). In the near term there are still other differences that remain to be dealt with, including our respective positions on the further evolution of events within Afghanistan.

Pakistan should never be considered a negligible quantity in any geopolitical calculation. It ranks among the world's ten most populous nations; it has distinguished itself through adroit diplomacy; it has a large and competent military; it plays an important role in South and Southwest Asia. In any other part of the world Pakistan would be a major actor. Its curse is geography, for it is overshadowed by India, and its political shortcomings are judged against India's relative successes rather than against the much drearier record of practically any other large country of Asia or Africa.

Pakistan shares with the United States limited but important regional and global policy interests, especially a healthy concern for Soviet expansionism, common friendship with China and support for moderate regimes in the Persian Gulf (although the withdrawal of Pakistani troops from Saudi Arabia in late 1988 introduces some questions in that regard). The vagaries of politics in Tehran make Pakistani-Iranian relations unpredictable, but the Pakistanis have made a serious effort to cultivate the Iranian government, both for regional political reasons and to placate their own Shi'ite minority. This relationship could provide the United States with a useful channel to a post-Khomeini government in Iran.

The United States has an interest in Pakistan's internal order and economic development, not only because it absorbs so

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much of our aid money, but also because we want to see Pakistan strong and stable, rather than a target of meddling by outsiders, whether Iranian, Soviet or even Indian. In a larger sense, a central U.S. concern is a reasonably stable and peaceful South Asia, which requires decent relations between India and Pakistan.

There is, nonetheless, substantial anti-Pakistan sentiment in the United States—partisans of India, nonproliferationists and those wary of Islamic governments. During the fighting in Afghanistan, most criticism was muted in the cause of ensuring Pakistani cooperation, and the restoration of democratic government has placated some critics, though by no means all of them. Now that the Soviet withdrawal from Afghanistan is an accomplished fact, inescapable questions about the nature and extent of U.S.-Pakistani ties will find resonance among those who see the large aid program as a target for budget reduction.

On the other side, there are those—especially within the military—who want to see the present level of close cooperation not only maintained but enlarged. They see Pakistan as the key to a prominent U.S. role in the evolving situation in Afghanistan, and as the only country between Israel and Thailand that can serve as support for a U.S. forward policy, whether directed against the Soviet Union or shoring up our interests in the Gulf and Indian Ocean. They are prepared to pay high costs, political as well as financial, to develop Pakistan as a reliable agent of U.S. policy in this strategic region.

II

The return of democratic government and the election of Benazir Bhutto as prime minister have introduced a new situation in Pakistan that will be crucial in determining the U.S. role. Bhutto is still an unproven quantity. Thus far her track record as administrator, political operator and national leader has been mixed. She has necessarily moved slowly, but she and her aides have spent much more time politicking than developing and implementing programs to address Pakistan's needs. Her policies and personal convictions have yet to be fully revealed, and it will take some time to see if the moderate views she has espoused in recent years will last under pressures from radical elements within her own party.

It is by no means certain that Bhutto will remain in power long enough to answer these questions. Her tactical position in parliament has become shaky: her key coalition partner, the

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Mohajir Quami Movement, has put her on notice that its interests must be more fully accommodated if she expects continued support. If it were to withdraw, the Bhutto government might well fall.

Beyond that, Bhutto is under considerable pressure from the Pakistani establishment, despite the setbacks it suffered in last November's national elections. The army, large landowners, industrialists and the bureaucracy maintain their bases of power, and Bhutto had to make important policy concessions to them in order to take office. In elections for provincial governments, also held in November, Bhutto's Pakistani People's Party did not do as well as it had in the parliamentary vote, gaining control of only one of Pakistan's four major provinces. The PPP's main rival, the Islamic Democratic Alliance (IDA) formed the government of Punjab, Pakistan's key province, and has frustrated her efforts to oust it.

Like Indira Gandhi in the early years of her tenure, Benazir Bhutto faces the challenge of asserting domination over a political system that she does not fully control and establishing her own agenda. Gandhi only barely succeeded in breaking the power of the old establishment, and the task facing Bhutto is even more difficult. But if she does not make the attempt, her authority may become empty. If she follows Indira Gandhi's example, Bhutto would likely seek to outflank the interests of the establishment by the kind of populist and radical appeals that were her trademark in earlier years—and which were so effectively used by her father, former Prime Minister Zulfikar Ali Bhutto. The establishment, of course, would see its interests threatened and might attempt to neutralize or oust her. If this were done by undemocratic means, Pakistan—and American interests there—would be the losers.

The parlous state of the Pakistani economy, the country's pervasive social ills and the continuing presence of some three million Afghan refugees would test the staying power and skills of even an established and seasoned leader with an assured political position. Prime Minister Bhutto faces an early test in June when she must present a budget, which is to implement austerity measures mandated by an International Monetary Fund stand-by agreement, without alienating her political constituency or cutting back too much on military expenditures.

A more deep-seated challenge facing Bhutto is the turbulent regional situation. The overwhelming demographic predominance of the Punjab is a fact of life in Pakistan that must be

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recognized, but the people of the other provinces must also come to believe that they have reasonable ability to influence decisions that affect their fate. The return to democracy should be the best cure for the problem over the long run, since it is hard to see how equity can be achieved except in a representative democratic framework.

In the nearer term, however, the problem remains. The IDA has effectively used its control of the Punjab to fan regionalist sentiment against Bhutto, who comes from the Sind. They have an effective issue in that, largely by chance, none of the top political and military leaders in Islamabad at present is a Punjabi. The people of the other provinces, however, point to a long history of Punjabi domination, coupled with shifting ethnic balances in their own provinces, and claim that much remains to be done to secure their interests. Until some balance is attained, Pakistan will remain difficult to govern. There is continuing danger of an eruption that could turn regionalism into a separatism that might seek—and find—support from abroad.

In addition, Bhutto faces hostility because of her gender, her youth and a background of secular life spent largely outside of Pakistan. Muslim fundamentalists and other conservatives are not reconciled to the fact of her leadership, and missteps that would be excused in an older, male leader could prove fatal to her. She has moved cautiously in righting some of the wrongs of the previous era: the human rights situation has improved markedly, Islam is no longer being used (by her at least) as a political tool, and the media are freer. Probably wisely, she has shied away thus far from addressing the touchier issues of women and religious minorities.

Enthusiastic predictions of Bhutto's skills and prospects must be reined in; the cautionary example of Rajiv Gandhi, who looked so good six months into his term, is right across the border. Furthermore, the past history of democracy in Pakistan is hardly encouraging. Yet whatever its shortcomings, Pakistan is not a banana republic, but a complex polity with a political system that was bursting the straitjacket of paternalistic military rule. Articulate Pakistanis believe that their country can and must be governed as a civilian democracy. As long as these democratic impulses were frustrated, there were growing prospects of the well-established Pakistani practice of taking politics into the streets, with violent but otherwise unpredictable consequences. Bhutto's electoral triumph and the grudging acqui-

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escence of the Pakistani establishment in her assumption of office were the best things to happen to Pakistan in a long time. Her prospects are far from assured, but the accession to power of a popularly elected regime offers the chance for a fresh approach to Pakistan's severe domestic problems.

The United States has a stake in Pakistan's domestic developments and a perverse sort of responsibility growing out of our past actions and the fact that Pakistanis are generally convinced that the United States can and does manipulate their domestic affairs. Pakistanis grossly exaggerate the kind of power and influence that the United States can wield (or should want to wield) nowadays, but the fact of these beliefs make them a real element in the Pakistani equation.

The U.S. aid program was in fact a great support to President Zia and his regime, and it remains important to the new government as it faces hard economic choices. Pakistan is one of those countries where the United States will be seen as intervening almost regardless of the actions it does or does not take. The United States was a modest factor in prodding Zia toward greater democracy and better observance of human rights. The American preference for a democratic regime, clearly enunciated by Congress, remains an important restraint on those Pakistanis who would like to reverse the process, for it is highly unlikely that close U.S.-Pakistani ties could survive an overthrow of democratic rule in Pakistan.

A turbulent Pakistan could look abroad for some source to blame for its problems, and the United States would be second only to India as a suspect. Anti-Americanism is endemic in Pakistan—based on beliefs that the United States manipulates Pakistani politics, was responsible for the execution of Zulfikar Ali Bhutto, introduces corrupting influences into Pakistani society, opposes the country's nuclear aspirations and is dominated by a Jewish lobby that is anti-Islamic and hence anti-Pakistan. This anti-Americanism is unfocused politically, but it can be dramatically mobilized. The mob attack on the United States Information Service building in Islamabad in February 1989, like the much more destructive assault on the U.S. embassy compound a decade earlier, are vivid reminders of how anti-Americanism can be fanned.

Benazir Bhutto is immensely popular in the United States, and her present policy lines are about as compatible with our interests as would be those of any of her likely successors. Nevertheless, the United States has no particular stake in her

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or in her political party and should avoid involvement in internal politics. Moreover, her future is far from certain and the United States should not want to be in the position of close identification with her—or for that matter with any Pakistani political leader.

Our interest lies in the maintenance of democracy rather than in any more specific outcome. Our ability to exert influence is really quite small; thus, as far as possible, our assistance should be provided in ways that do not enhance the image of any political group. We should not involve ourselves in the workings of the Pakistani political system—something that in any event we understand only very imperfectly.

Despite widespread misgivings about the United States and a diminishing pool of enthusiastic pro-American sentiment in Pakistan, all mainstream Pakistani political leaders declare their attachment to the U.S. tie. They find the relationship useful and there is a widespread conviction that the United States must be placated. Overt anti-Americanism is generally restricted to the political fringes, though it could become prominent should the Pakistani political situation deteriorate and populist sloganeering become its currency. For the next several years at least, however, Pakistan is likely to be led by realists who will look to the United States warily but gratefully as long as acceptable benefits continue to flow.

This comfortable assumption, however, is based on the continued working of the political process. If it fails (through, perhaps, another military coup) and leadership of the opposition passes from the mainline politicians into the hands of radicals and extremists, Pakistan could become quite a different country—not an Iran, perhaps, but distinctly hostile to American interests.

## III

What kind of relationship can be sustained between the United States and Pakistan? The 1980s cannot serve as a model. Our recent involvement in Pakistan has reflected a shared perception of a threat arising from the Soviet presence in Afghanistan, and there is little on the regional horizon to suggest an alternate basis for a high level of involvement. U.S. interest in South Asia is too slight to sustain intensive ties along the lines of the nostalgically remembered 1950s, when Pakistan was our "most-allied ally."

Our global involvement has declined generally since then,

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waning especially in South Asia, which is near the bottom of our priorities. The 1950s relationship was not tenable even in those more expansive times. It collapsed because the United States saw its ties to Pakistan solely in global terms of containing the Soviet Union and China, whereas Pakistan saw the support mainly in regional terms—i.e., against India. This faulty rationale was laid bare when the United States failed to support Pakistan against India in their war of 1965; Pakistanis still see this as an unforgivable betrayal of a loyal ally. Our interests then drifted elsewhere, and for the years thereafter the trend line of U.S. concern with Pakistan remained at a consistent, and fairly low, level.

There were sharp, brief deviations from this state of affairs. The United States became involved, albeit futilely, in giving Pakistan political support in the Indian-Pakistani war of 1971. And in the early Carter years the U.S.-Pakistani relationship deteriorated drastically over the nuclear issue, only to improve greatly in response to the invasion of Afghanistan. Significantly, each of these deviations came about not because of specific U.S. interests in South Asia but as a result of global concerns—superpower politics and nonproliferation. When there is no such intervening factor, we must assume that the relatively low trend line is the normal level for U.S.-Pakistani relations and for our approach to South Asia in general.

Nevertheless, the future course of Pakistani policy toward the United States is not clear. While Benazir Bhutto has taken great pains to cultivate ties to the United States, it is not certain just how she will shape them in a time of potentially turbulent change. There has, however, been a fairly consistent tendency in Pakistani policy that provides a historical example from which to estimate the future. From its earliest days, Pakistan looked to the Muslim world as its preferred ally and support, and nonalignment was as natural an impulse for Pakistan as it was for India. Lack of response from other Muslims and the perceived threat from India overrode these preferences in the early 1950s and resulted in the U.S. alliance. In the following decade, however, as Pakistan came to realize that the U.S. relationship was not reliable in dealing with the Indian threat, it reached out elsewhere: first to China and for a while to the Soviet Union, then to an increasingly self-conscious Islamic world, and most recently to the Nonaligned Movement.

Diversification has been a constant in Pakistani foreign policy now for nearly a quarter-century, even during the years of

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close U.S.-Pakistani ties in the 1980s. But even a broad array of Third World friends could not provide sufficient support; Pakistanis recognize that only the United States can counter a threat from the Soviet Union. With the Soviet withdrawal from Afghanistan, however, the more pressing danger comes once again from India. This means that Pakistan must ensure itself of whatever support it can, since the United States is not willing, or perhaps even able, to provide guarantees against India. The task for Islamabad, then, is to maintain its diversified support while still maintaining access to U.S. security assistance.

Pakistan's broad web of other relationships, with the exception of China, would not survive markedly closer U.S.-Pakistani cooperation. The presence of obvious U.S. military and intelligence facilities in Pakistan would spell the end of Pakistan's membership in the Nonaligned Movement. The Muslim relationship (which is also important in Pakistan's domestic politics) would conflict with U.S.-Pakistani cooperation in many likely Southwest Asian contingencies. Pakistan would not, to cite only the most obvious examples, support the United States against Iran or in any contingency that involved support of Israel.

Another factor may now appear in Pakistani foreign policy calculations. The Soviets cannot be satisfied to have so important a neighbor as Pakistan remain permanently hostile, and even under Zia, Pakistanis recognized that tolerable relations with the Soviet Union are essential to their long-term security. When events are ultimately sorted out in Afghanistan, a major Soviet initiative to repair relations with Pakistan would be a logical extension of the approach to Asian security that Mikhail Gorbachev outlined in the speech he delivered in Vladivostok in July 1986. While Pakistan would react cautiously and with realism, it would welcome a Soviet initiative.

Given the poor state of Soviet-Pakistani relations recently, even a limited improvement could be very striking and disturbing to some Americans who value Pakistan greatly as an adjunct to U.S. policy directed against the Soviet Union. The situation thus offers little encouragement to those who would establish a close security tie to Islamabad. Pakistan cannot be part of a strategic consensus, a forward position for the launching of the Reagan Doctrine into Southwest and Central Asia, or our proxy in the Gulf. Yet as we have seen, Pakistan will remain an intrinsically important country in a location where the United States needs friends but has few of them.

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IV

In the coming months this foreign policy situation should provide a context for debating key issues in U.S.-Pakistani relations: the scope of the U.S. aid program and how to confront Pakistan's nuclear endeavors. The first priority will be the redefinition of the U.S. assistance program—its overall size, its composition and, indirectly, what weapons systems we are willing to sell to Pakistan.

The amount of aid Pakistan receives from the United States is very large. Pakistan vies with Turkey for third place among U.S. recipients, behind Israel and Egypt—two very special cases. Beginning in 1982 the United States provided aid in the amount of $3.6 billion for five years, divided equally between military and economic assistance. In late 1987 Washington agreed to provide a further package of $4.02 billion for the next six years ($670 million annually) on generally concessional terms, with 57 percent targeted as economic aid and the remainder as military assistance, mainly for the purchase of U.S. weapons. Congress must make annual appropriations to meet the commitment, however, and fiscal years 1988 and 1989 saw cuts of ten and 15 percent respectively as a result of overall budget constraints. The administration's request for fiscal year 1990 of about $630 million, itself $40 million short of the 1987 pledge, still has to pass congressional scrutiny.

Now that the focus on Afghanistan is receding and U.S. budget stringencies are ever greater, extraordinarily high levels of aid cannot and should not be maintained. Before negotiating new levels the U.S. and Pakistani governments must define the points at issue lest the debate get out of hand and lead to a downward spiral of recriminations. Pakistan still has a strong case to make for economic support even after the bulk of the Afghan refugees go home. It remains a needy country with many economic problems; it has provided admirable support to U.S. foreign policy goals in Afghanistan—and the 1987 aid agreement was not explicitly conditioned on continued fighting there. The American record of policy consistency in South Asia generally, and with Pakistan particularly, is a dismal one; if we are to maintain some degree of credibility, we must work to ensure an orderly continuation of the relationship. Even more, it would ill behoove us to turn our backs on a nation that has so impressively reembarked upon a democratic path.

The Pakistani and U.S. governments might deflect part of

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the pressure to gut the aid program by adjusting the ratio still further away from the controversial military components in favor of the more popular economic programs. They might also jointly agree to an overall reduction of the program that would be substantial but would leave the bulk of it intact. Since at least part of the rationale of the program was to offset the economic burden that the Afghan refugees put on Pakistan, some reductions could be phased over time to reflect any outflow of refugees, and the money saved could be earmarked for refugee rehabilitation inside Afghanistan. Some of this money could perhaps be used for procurement of supplies from Pakistani sources, thus minimizing the foreign exchange loss that Pakistan would sustain. Many Afghan refugees may also remain in Pakistan for a long time while their country is pacified; Islamabad deserves support as it continues to host them.

But Pakistan also has an argument for keeping the military component of U.S. aid substantial and for maintaining Pakistani access to U.S. weaponry. Islamabad is entitled to a defensive capability against India, a militarily superior and not always reassuring neighbor. There is a case to be made too that a reasonably well-armed Pakistan will be a more secure and, hence, a more stable country with which to deal. Some also believe that a comfortably armed Pakistan is less likely to go nuclear. In addition, Pakistan's democratic experiment is still hostage to the Pakistani army. If Benazir Bhutto is to enjoy the army's continued acquiescence in her rule, she must be able to demonstrate that she can deliver the goods that the army wants—including access to American weaponry.

American arms were provided, however, in response to the Soviet invasion of Afghanistan; with the Soviet withdrawal, Pakistan's concerns are overwhelmingly with India. The United States will have to reassess its security assistance program in that context. The United States has no stake in the Indian-Pakistani rivalry, and we owe Pakistan no more support against India than it is willing to provide to us against, say, Iran. What we are concerned with is stability in South Asia—an elusive condition that seems to require a level of armament that builds Pakistani self-confidence but is tolerable to India. This is a narrow, perhaps impossible, path to follow, defined in political more than technical terms.

The following guidelines would, however, seem appropriate in evaluating Pakistani arms requests.

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First, requests should be turned down for systems that cannot conceivably be used against anybody except India. The Harpoon naval missiles supplied by the Reagan Administration—hardly suitable for combat along the landlocked Pakistani-Afghan frontier—were the most egregious case of this kind. Maritime reconnaissance aircraft fall into the same category, unless Pakistan uses them to cooperate with the United States in surveillance of Soviet naval activity.

Second, Washington should avoid selling systems that are of very high symbolic importance or that introduce a significant qualitative escalation into the South Asian arms race. The airborne early warning and control system fails both of these tests; although AWACS is in itself nonlethal, it is a powerful force-multiplier. In the post-Afghanistan environment it would be inappropriate and in any event would consume an inordinate amount of Pakistani resources.

Because of our military supply relationship over the past eight years, significant parts of the Pakistani army and air force are committed to using U.S. systems. As a matter of credibility and simple fairness, the United States should remain willing to support and, within reason, expand and upgrade them. This includes supplying modernized M-48 tanks and air defense and, most important, a reasonable number of additional F-16 fighter aircraft, which are currently the lead item on the Pakistani shopping list. The F-16s are, inevitably, the item that the Indians complain about most strongly, but the main political cost to our relations with New Delhi of supplying them to Pakistan has already been paid, and the sheer expense of the F-16s has apparently forced the Pakistanis to postpone requests for other big items that might be more difficult for us to provide.

While Pakistan needs a substantial military capability and the United States has a role to play in providing it, we have no obligation to be the country's principal armorer. If we shift our aid more toward economic objectives, Pakistan can look elsewhere for a larger share of its military purchases. Thus, even though the United States has become Islamabad's principal source of armor, and although the M-1 tank would be a logical next step in upgrading in line with the criteria described above, we should encourage Pakistan to look to China or some other supplier for its new generation of armor as an opportunity to scale down our involvement.

This position may not be welcomed by Pakistan, but its

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current impact would be slight and it would meet all of our implied and explicit commitments. One of the virtues of Washington's military supply of Islamabad, for some Pakistanis, is the fact that it drives an ever thicker wedge between the United States and India. That, however, is Pakistan's agenda, not ours. Our comparative advantage in South Asia is not in the military area and no significant policy goals will be achieved by an emphasis on military supply. Over time, the United States should yield its position as the principal source of arms for Pakistan, and correspondingly deemphasize the Reagan Administration's attempt to woo India with military technology.

V

In any case, there is a danger that the opportunity to shape our economic and security relationships with Pakistan will be preempted by other difficult bilateral problems. It was Pakistan's nuclear program that plunged the U.S. relationship to the depths it reached in the Carter Administration, and a decade later that problem has become worse.

By a variety of subterfuges, some of which are in direct contravention of American law, Pakistan has apparently acquired the ability to produce a small number of nuclear weapons.[1] Because of the Afghanistan situation, the United States turned a blind eye to Pakistan's program in the 1980s but it will be increasingly difficult to do this in the future, especially for Congress. The issue will arise directly in view of the need to grant further waivers of legislation that prohibits aid to any country that imports nuclear enrichment technology. This waiver got through Congress only narrowly last year; it will not have the Afghan factor to help it along when it comes up for renewal in April 1990 or, even earlier, as it is taken into account in planning the budget for fiscal year 1990.

In addition, legislation requires that the president certify each fiscal year that Pakistan does not possess a nuclear weapon. Although last year the administration made this certification, it warned Congress that this would probably be the last time it could be done. It is also possible that Pakistan will take some step that violates U.S. law or reneges on some commitment

[1] See *Nuclear Weapons and South Asian Security*, Report of the Carnegie Task Force on Non-Proliferation and South Asian Security, Washington: Carnegie Endowment for International Peace, 1988, for a detailed examination of the Indian and Pakistani programs and the U.S. relationship to them.

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that we have (or think we have) from them, even before then. These dangers are particularly acute since the new U.S. liberal constituency that Benazir Bhutto has won for Pakistan is much more sensitive to the proliferation issue than the conservatives who have hitherto been Pakistan's principal support.

Although Bhutto has sent some reassuring signals about Pakistan's willingness to forgo nuclear weapons, the choice may not be fully hers to make, for this is another area where the military has staked out a strong role for itself. In any case, it is hard to imagine any Pakistani leader abandoning the program as long as India keeps its nuclear option open, and New Delhi has shown no interest in any joint approach to the nuclear issue that does not take China into account.

Among U.S. options is the termination of assistance to Pakistan, both to demonstrate Washington's seriousness of commitment to nonproliferation and to act as a form of pressure. (Washington could justifiably extend this policy to India as well.) The Carter Administration's experience is a reminder, however, that we might end up not only seriously damaging our relations with two important countries but also losing what little influence we have over their nuclear policies.

Neither Pakistan nor India has actually exploded a nuclear device since India's sole test in 1974, and neither currently seems inclined to do so. It may be in our interest to try to maintain this situation, since tests would only spur both sides on to further demonstrations and could tempt other near-nuclear powers to follow suit. A test is a well-demarcated firebreak: it would be clearly verifiable and would automatically trigger a cutoff of U.S. aid under 1976 legislation. Other partial steps such as getting Pakistan to agree not to enrich uranium to weapons-grade strength are vague and difficult to verify. Although we should conscientiously explore the possibility that the new Pakistani government might be willing to renounce its nuclear weapons program, an agreement not to test, seconded even tacitly by India, could be a reasonable target that the Pakistanis too may find acceptable for some time to come.

## VI

Afghanistan remains a key factor in U.S.-Pakistani relations, but with the Soviet withdrawal, the previously parallel Afghanistan policies of the two countries may not only diverge but even become a source of conflict.

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Good ties between Pakistan and Afghanistan have historically been the exception, not the rule, and under the best of circumstances disputes may arise that could place the United States uncomfortably in the middle. More immediately, Pakistan supports elements in the Afghan resistance whose Islamic vision for Afghanistan hardly fits American preferences. (A radical Islamic republic in Afghanistan is probably not Benazir Bhutto's preference either, but this is another area in which her authority is circumscribed by the military and intelligence services.)

Universal aversion to the Soviet occupation of Afghanistan permitted the temporary papering over of antagonistic views among the badly split Afghan resistance and among its supporters in Pakistan and the United States. In the United States there remain substantial differences over how we should relate to the Afghanistan-Pakistan complex in both the short and longer terms. Even if the Afghans are able to put together an interim government that forces the communists out, there will be ample opportunity for disagreements that could break any of these fragile consensuses. More debacles along the lines of the Jalalabad siege, moves to include the communists in an interim government, or major conflicts over the role of Islamic fundamentalists could lead to disruptions in U.S.-Pakistani relations—especially since some of Pakistan's strongest supporters in the public and in Congress may be least tolerant of divergent approaches to Afghanistan.

In a different category, but also troublesome, is the narcotics situation that developed during the Zia years. Pakistan is now a major source and transit route for heroin reaching the West; the trade flourishes and is facilitated by rampant corruption. Matters will only get worse as Afghans return to their homeland and look for a quick-growing, lucrative crop to plant. American law mandates a 50-percent aid cut for countries that fail to take effective measures against narcotics trade and production. Thus far, Pakistan has not been judged delinquent—in part because of Afghanistan war considerations but also because of a recognition that the government's capabilities are limited.

Prime Minister Bhutto, whose generation knows the costs of addiction from bitter experience, has taken a helpful and active role in dealing with the narcotics problem. Pakistan has good reasons of its own to curb narcotics: it now has some 650,000 addicts of its own and drug money is devastating its society. If the Pakistani government fails to deal with the narcotics prob-

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lem for its own reasons, there is not much that we can do to motivate them more strongly. As long as Pakistan is making a serious effort to meet the problem and is extending reasonable cooperation to U.S. drug enforcement authorities, it makes much more sense to handle this problem on the basis of shared concern rather than punitive measures.

VII

Our relations with Pakistan cannot be conducted solely in a bilateral context. India is the dominant regional power and is effectively in a position—by itself or with Soviet support—to exercise a veto over many things we might want to do in South Asia. Pakistan, for its part, has shown considerable skill in derailing our policy initiatives toward India.

As long as the two countries are at odds, our ability to pursue relations with either of them is limited. In early 1987 military exercises by each side nearly got out of hand and threatened the peace along the Indo-Pakistani border in the Punjab. The peace is routinely broken in the extreme north of the disputed Kashmir region where both sides are spilling blood over a remote and meaningless glacier. New Delhi denounces Islamabad for assisting the Sikh separatists in the Indian portion of the Punjab, while Pakistan decries India's domineering and hegemonic attitude toward its neighbors.

A more positive note was struck at the meeting between Benazir Bhutto and Rajiv Gandhi during the meeting of the South Asian Association for Regional Cooperation in Islamabad in January of 1989. The two apparently established good rapport and signed several agreements, notably a pledge not to attack each other's nuclear installations. The Indians admit privately that Pakistan under Bhutto is meddling less in the Sikh problem and prospects for achieving a modus vivendi appear better now than they have been since Bhutto's father and Gandhi's mother met at Simla in 1972. Geopolitics in South Asia, however, remains very much a zero-sum game, to the detriment of the regional states and the continual frustration of outsiders who seek to deal with it. Mistrust and enmity are deep-seated, and neither Bhutto nor Gandhi yet has the political strength needed to make the kinds of concessions that are necessary if the two countries are to attain genuine détente, let alone friendship.

The primary American objective should be to facilitate an understanding among the South Asian states, even though we

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cannot shape the regional dynamics. Our only critical interest in South Asia is that the area not be dominated by the Soviet Union. Fortunately the regional states share that objective; their ability to enforce it is directly related to the extent that they can minimize their differences, which provide the entrée for outside meddling in security affairs. We ourselves are, of course, sometimes one of the outside meddlers, but in South Asia (in contrast, say, to Central America) we can tolerate exclusion from security matters as long as it is similarly enforced on the Soviet Union. Our relative strength, after all, is our economic and cultural attractiveness; our military capabilities are relevant primarily at the global level where they maintain the overall balance within which individual regions can work out their own destinies.[2]

Ideally, our South Asia policy should grow out of our relationship with India, even more than with Pakistan. New Delhi, however, is at odds with us on many major global and regional issues, and its policy is designed to minimize American participation in South Asian affairs. India is in any case consumed by preparations for national elections later this year. The relationship with India needs the attention of U.S. policymakers, but Pakistani issues are the ones demanding most urgent attention.

The changed context of U.S.-Pakistani interaction over the past year both permits and requires a reappraisal reflecting the complexity of the relationship. This is an exceedingly delicate task given the conflicting pressures—the interrelated concerns of the United States for stability and for progress in the democratic experiment, the need to maintain a mutually beneficial relationship with Pakistan that does not arouse unrealistic expectations on either side, the sometimes conflicting elements of global and regional policies (whether toward Afghanistan, India or the Persian Gulf), and a realistic assessment of the tools that we have available to pursue our policy objectives. More than anything else, perhaps, it requires a recognition that there can no longer be a patron-client relationship between our two countries. Pakistan is a mature international actor that must be dealt with on a basis of sovereign equality and with the realism that has increasingly characterized U.S.-Pakistani dealings in the past several years.

[2] For a fuller discussion, see Thomas Perry Thornton, *The Challenge to U.S. Policy in the Third World: Global Responsibilities and Regional Devolution*, Boulder, Colo.: Westview Press, 1986.

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While both Pakistan and the United States recognize the importance of their relationship, each must also recognize its limitations. Pakistan is neither an area of high priority interest for the United States nor an instrument of U.S. policy; we are only one of the country's foreign policy supports and our interests only partially overlap. There are however many things that each can do for the other, and it would be unfortunate if they were not done because the United States had rashly abandoned its policy instruments in dogged pursuit of single-issue policies. It would be equally unfortunate if realistic goals were overlooked in favor of more grandiose, but ultimately futile, globalist designs that sought to employ Pakistan as a surrogate in pressing forward the Reagan Doctrine in Southwest and Central Asia. In its current state the relationship needs to concentrate on small but tenable achievements, for it lacks the substance to sustain dramatic gestures, or to survive them when they fail.

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# COMMENT AND CORRESPONDENCE

*To the Editor:*

President Nixon's characteristically insightful analysis of the foreign policy challenges facing the Bush Administration ("American Foreign Policy: The Bush Agenda," *Foreign Affairs*, America and the World 1988/89) calls for some comments on the Strategic Arms Reduction Talks. I do not agree that the emerging START treaty, as negotiated to date, would increase the vulnerability of U.S. strategic forces. It would, furthermore, not be in our interest to link completion of the treaty to the new negotiations on conventional arms in Europe.

The argument that START reductions will concentrate U.S. retaliatory forces on too few delivery platforms, and thereby increase their vulnerability to preemptive Soviet attack, is based on unwarranted assumptions about the forces the United States would choose to deploy under an agreement. It holds START responsible for challenges that would exist even in the absence of agreement. It assumes, for example, that under START the United States would deploy only MIRVed Minuteman III and MX intercontinental ballistic missiles in 300–400 silos, and that this would enable the Soviets, even after START-mandated reductions, to increase the number of warheads they could target against each U.S. silo. Nothing in START, however, would prevent us from dispersing our ICBM warheads over many more silos (e.g., 700–900) by deploying large numbers of single- or double-headed missiles, thus *decreasing* the warhead-to-target ratio. START would also contribute to the survivability of U.S. ICBMs by severely limiting Soviet ability to target mobile ICBMs.

President Nixon also suggests that START will make the U.S. fleet of missile-carrying submarines (SSBNs) vulnerable by shrinking their number. (He mentions 17 boats; others have used the figure 18.) It is true that the number of U.S. SSBNs will drop substantially in the coming decade. But this results not from START, but from the decision (during the Nixon Administration) to replace a larger number of 16-missile boats with considerably fewer but quieter (and thus less detectable) 24-missile Tridents. Even without START, plans call for only about 20 Tridents by the late 1990s.

Fortunately, fewer boats does not necessarily mean more vulnerable ones. Experts believe the Soviets will remain incapable, for the foreseeable future, of detecting and tracking U.S. SSBNs. Moreover, if the United States became concerned in the future about having only about 18 boats, it would have the right under START to distribute its chosen number of warheads over a larger number of submarines (e.g., by deploying fewer missiles per boat or fewer warheads per missile, or both).

While recognizing that START will not prevent modernization programs designed to ensure the survivability of U.S. forces, President Nixon seems to believe that START will compel the United States to undertake expensive programs it might otherwise avoid, simply to compensate for START's allegedly adverse effects on survivability. The reality is that continued modernization would be just as necessary without an agreement

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as with one. With or without START, silo-based ICBMs will be targetable, and the United States should therefore deploy a mobile ICBM. With or without START, the number of U.S. SSBNs will drop, and high priority must be given to continued efforts to thwart Soviet antisubmarine warfare capabilities.

There is, however, a crucial difference between undertaking survivability programs with START and without it. Under START, the Soviet threat to U.S. forces will be less than half as large. With the threat thus limited and bounded, those programs can be pursued more predictably, affordably and effectively.

President Nixon's call for linking START to progress in conventional arms negotiations would have considerable merit if concluding a START treaty independently would weaken the West's deterrent against conventional attack, or if the Soviets needed a START treaty so badly that, to secure it, they would accept a conventional arms deal they would not otherwise accept. START would not leave the West less well-off against the Warsaw Pact conventional threat. The United States would retain a large number of diverse, highly capable and operationally flexible strategic systems that would continue to meet the requirements of NATO's flexible response strategy.

Moreover, while the Soviets would apparently like to conclude START, there is little evidence that they need a treaty so much that, in order to get one, they would make concessions in the area of conventional arms that they would otherwise not be inclined to make. Given the lengthy negotiations that may be needed to achieve a conventional arms agreement, artificially linking it to START would delay a treaty serving U.S. security interests.

President Nixon is correct in saying that "we must ultimately judge the value of any START agreement by whether it increases the security of our strategic forces and decreases the incentives for either side to resort to nuclear weapons in a crisis." The START treaty, as it has shaped up so far, meets this test. U.S. interests would be well served if the Bush Administration decided to build upon the promising foundation set in place by its predecessor and proceeded expeditiously to complete a START treaty without linking it to talks on conventional arms.

MAX M. KAMPELMAN

*Editor's note: The writer was chief of the U.S. delegation to the Nuclear and Space Arms Talks in Geneva, 1985–89.*

*The author replies:*

My differences with Ambassador Kampelman regarding the merits of the emerging START treaty essentially arise from our diverging assessments of the American political scene. We agree that the United States should judge arms control treaties by their effect on strategic stability. We agree that increasing stability requires reducing the vulnerability of our strategic forces and command and control systems. And we agree that reducing our vulnerability means decreasing the ratio of Soviet first-strike warheads to first-strike targets in the United States.

But we disagree on the likely effects of the emerging START agreement

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on that ratio. Mr. Kampelman argues that under START the United States could maintain or improve the present ratio by reconfiguring its entire strategic posture, with multiwarhead missiles replaced by single-warhead weapons and with large ballistic-missile submarines replaced by smaller ones. While his view is theoretically correct, it is politically unrealistic. In its present form, the START treaty calls for a 50-percent reduction in strategic forces over seven years. First, because lead times for full deployment of new strategic systems now run well over a decade, a window of vulnerability would open after the START cuts. Second, given the budget crisis and the expectation in Congress that arms cuts should produce defense budget cuts, it is unrealistic to expect the massive appropriations necessary to overhaul our sea-based and land-based forces over such a short period.

On the issue of linkage, I simply differ with Mr. Kampelman in my assessment of Soviet motivations. In my view, the Soviet Union needs a START agreement far more than does the United States. Gorbachev desperately wants the political benefits that would derive from a major treaty. He believes that he can loosen the bonds of the NATO alliance, undercut public support for Western defense spending and facilitate access to Western capital by creating a benign image of the extent of the Soviet threat. START is the key to that strategy. A sweeping strategic arms control agreement will profoundly alter the political landscape. We must be sure that when it comes we have addressed our central strategic concern: Moscow's advantage in conventional forces. Soviet leaders have never been eager to reduce their advantage in conventional forces through arms control. In the forthcoming conventional talks, their negotiators will press hard to retain an edge in *capabilities* while lowering overall levels of weapons. It is therefore in our interest to link progress toward the START agreement that Gorbachev wants to progress toward the kind of conventional agreement that NATO needs.

RICHARD NIXON

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# RECENT BOOKS ON INTERNATIONAL RELATIONS

*Edited by Lucy Edwards Despard*

## General: Political and Legal

*John C. Campbell*

A STRATEGY FOR PEACE: HUMAN VALUES AND THE THREAT OF WAR. By Sissela Bok. New York: Pantheon, 1989, 202 pp. $17.95.

The danger of man's self-extermination has long been apparent, as has the question of whether the balance of power, or deterrence, or arms control agreements offer adequate protection against it. Sissela Bok looks to increased concern for human values that will serve the cause of peace, but more than that, she calls for and describes practical measures that will reduce distrust and constitute a comprehensive strategy for peace. Her book is no sentimental "peacenik" appeal but a reasoned case for resolution, dedication and action by governments and individuals. It is grounded in Kant's *Perpetual Peace*, but finds guidance for effective strategy in many other sources, even in Clausewitz's *On War*. Can this book be useful to today's political leaders and to the average citizen? In some respects it is utopian, and readers may dismiss it as such, but they would be well advised to read it again.

FIRES ALL AROUND THE HORIZON: THE U.N.'S UPHILL BATTLE TO PRESERVE THE PEACE. By Max Harrelson. New York: Praeger, 1989, 279 pp.

A running account of the main political-security issues that came before the United Nations during its first 40 years, by a well-informed correspondent who covered the world organization for the Associated Press. The book serves as a general introduction or survey, giving the salient facts in each case and showing how the U.N. was or was not used, but it sacrifices depth for breadth. Although he is clear on the point that the organization cannot act to keep the peace except as its key members and the restrictions of the U.N. Charter permit, the author does not tarry anywhere to explore its strengths and weaknesses or to consider how it may be made more effective in the future.

COALITION STRATEGIES OF MARXIST PARTIES. Edited by Trond Gilberg. Durham (N.C.): Duke University Press, 1989, 379 pp. $52.50.

The topic is one of almost unlimited scope, given the time span (since Marx) and the number of countries where communist parties have been active. Some important countries are omitted (e.g., China, Japan, several Middle East states) and some get less than adequate treatment (e.g., Germany, Italy, South Africa, Mexico), but in general the coverage is thorough and competent. In some ways the chosen theme of "coalition strategy" merely means packaging familiar material on communist party history in a different way, yet it provides a useful means of comparison and of reaching conclusions on Soviet policy. The emphasis throughout the book on nationalism and its impact on communist strategy is very much to the point.

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THE SUPERPOWERS, CENTRAL AMERICA AND THE MIDDLE EAST. Edited by Peter Shearman and Phil Williams. London: Brassey's, 1988, 240 pp. $36.00.

It is a cause for surprise that, with a stable of contributors including British, American and Israeli experts, this rather ambitious book has so little to say that is new. Most of it is standard exposition. The assessments of Soviet policy are generally sound, so far as the evidence allows us to judge, but those dealing with American policy seem more concerned with scoring points against Reagan and his cold warriors than in studied analysis and prescription.

PASSION AND CUNNING: ESSAYS ON NATIONALISM, TERRORISM AND REVOLUTION. By Conor Cruise O'Brien. New York: Simon & Schuster, 1988, 293 pp. $18.95.

Articles and book reviews, previously published but not out of date, on a variety of subjects and countries (Ireland, South Africa, Nicaragua, Israel) of special interest to the author. The book's title is taken from the lead piece, an essay on the politics of W. B. Yeats. O'Brien is a man of strong views, and he writes with verve and wit. Agree with him or not, one reads him with enjoyment.

## *General: Military, Technological and Scientific*

*Gregory F. Treverton*

WINDOWS OF OPPORTUNITY: FROM COLD WAR TO PEACEFUL COMPETITION IN U.S.-SOVIET RELATIONS. Edited by Graham T. Allison and William L. Ury. Cambridge: Ballinger, 1989, 345 pp.

One of the first published fruits of warming superpower relations, this book grew out of a series of Soviet-American meetings on crisis management. Its look backward at the Cuban missile crisis has been carried further by a recent highly publicized meeting in Moscow. Aside from the pleasures of watching old Soviet institute-niks like Georgy Arbatov get their pens around Gorbachev's new thinking, the book is a valuable reminder of how much has been accomplished behind the harsh rhetoric of competition: both Moscow and Washington recognize that nuclear fire makes direct conflict between them unthinkable, and so the chances that crises—in Eastern Europe or the Third World—will spin out of control probably are fewer than both fear.

LETHAL FRONTIERS: A SOVIET VIEW OF NUCLEAR STRATEGY, WEAPONS, AND NEGOTIATIONS. By Alexei G. Arbatov. New York: Praeger, 1988, 294 pp. $39.95.

THE OTHER SIDE OF ARMS CONTROL: SOVIET OBJECTIVES IN THE GORBACHEV ERA. By Alan B. Sherr. Boston: Unwin Hyman, 1988, 325 pp. $44.95 (paper, $17.95).

Arbatov and Sherr change places: Arbatov, one of the brightest of the younger Soviet analysts, who runs a section of an institute parallel to the one directed by his father, Georgy, addresses the U.S. response to the onset of strategic parity; Sherr, an American lawyer and Soviet specialist, writes about Soviet policy in the Gorbachev era. The differences are instructive: Arbatov's emphasis on the "objective situation" is very much the perspec-

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tive of rational, strategic analysis—he can parse a deterrent threat with the best American analyst. The strength of Sherr's analysis, by contrast, is that he locates his assessments of arms control within Gorbachev's broader economic challenge and his institutional context.

THE SHIELD OF FAITH: THE HIDDEN STRUGGLE FOR STRATEGIC DEFENSE. By B. Bruce-Briggs. New York: Simon & Schuster, 1988, 464 pp. $22.95.
MAKING SPACE DEFENSE WORK: MUST THE SUPERPOWERS COOPERATE? By A. Fenner Milton, M. Scott Davis and John A. Parmentola. Washington: Pergamon-Brassey's, 1988, 209 pp. $21.95.

Histories of the nuclear age are typically histories of offensive forces, with just enough about defense to demonstrate that it could not upset the ascendancy of the offense. Bruce-Briggs' breezy history reverses the focus, recounting the arguments and bringing to life the arguers in the subterranean debate over strategic defense. For anyone who missed the latest chapter in the debate, Reagan's Strategic Defense Initiative, Milton *et al.* offer a readable way to catch up. Done in cooperation with the Roosevelt Center for American Policy Studies, their book is a primer, not a broadside for SDI.

MONKEYS, MEN, AND MISSILES: AN AUTOBIOGRAPHY, 1946–1988. By Solly Zuckerman. New York: Norton, 1989, 498 pp. $22.50.

This second volume of Lord Zuckerman's memoirs engagingly demonstrates why his friend, E. E. Cummings, called Zuckerman his "favorite rogue." From anatomy professor to director of the London Zoo and especially in between, as chief scientific adviser to the British government (a job he created and one that for practical purposes retired with him in the 1970s), he moved easily on both sides of the Atlantic during the great decisions about matters nuclear. If he could infuriate his colleagues and if his opinions sometimes turned cranky, he brought to it all a humanity that is captured by his own summary: "What other life could have been better?"

WAR: ENDS AND MEANS. By Paul Seabury and Angelo Codevilla. New York: Basic Books, 1989, 320 pp. $19.95.

This book is a happy surprise for those accustomed to Codevilla as an intellectual bomb thrower: it is a thoughtful primer on war aimed at a generation of Americans the authors regard as prone to dismiss the subject as accident or aberration. Based on a course taught by Professor Seabury, a gentle conservative, the book occasionally strays into polemics—for instance, in pleading for missile defenses. But it provokes enough thought so that the reader often hopes for more—for instance, in arguing that nuclear weapons do not abolish the moral imperative to discriminate in thinking about their use.

FIGHTING TO A FINISH: THE POLITICS OF WAR TERMINATION IN THE UNITED STATES AND JAPAN. By Leon V. Sigal. Ithaca (N.Y.): Cornell University Press, 1988, 335 pp. $39.95.

Why did it take so long for the United States and Japan to end a war whose outcome was no longer in doubt by late 1944? Sigal's answer is as thought provoking for the nuclear age as his analysis is detailed and careful: "War termination begins and ends at home . . . rooted in domestic and

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bureaucratic politics." Detached calculations of national interest were not always controlling, either of choices or of organizations under the pressure of war. Indeed, "war may numb what little sensitivity states normally exhibit outside their borders."

FOUR STARS: THE INSIDE STORY OF THE FORTY-YEAR BATTLE BETWEEN THE JOINT CHIEFS OF STAFF AND AMERICA'S CIVILIAN LEADERS. By Mark Perry. Boston: Houghton Mifflin, 1989, 412 pp. $24.95.

The subtitle is misleading, for this is an inside history of the joint chiefs of staff and of America's long quest for an integrated military. To be sure, there have been sharp disputes between the chiefs and their civilian masters—none more vivid than Perry's account of the chiefs' August 1967 vote to resign over the handling of Vietnam, a decision they later reversed. But such disputes are the stuff of civilian control in democracy. The real struggle has been to frame policies and advice to civilians that would reflect broad military calculations, not parochial service interests. Perry is optimistic about the most recent outcome of that struggle—the Goldwater-Nichols reorganization bill of 1986—but the verdict is not yet in.

ARMS RACES, ARMS CONTROL AND CONFLICT ANALYSIS. By Walter Isard. New York: Cambridge University Press, 1989, 529 pp. $42.50 (paper, $9.95).

This is not for the faint-hearted or the innumerate. (And its editors have committed every author's nightmare: a grievous typo in the first sentence of the book.) Those who dip into it or use it for reference, however, will find a rich compilation of analytic techniques for addressing conflict, written by one of the creators of modern conflict research.

## *General: Economic and Social*

*William Diebold, Jr.*

OPENING FINANCIAL MARKETS: BANKING POLITICS ON THE PACIFIC RIM. By Louis W. Pauly. Ithaca (N.Y.): Cornell University Press, 1988, 256 pp. $29.95.

This excellent book succeeds admirably in explaining why advanced industrialized nations "have moved so consistently during recent decades to open their traditionally protected national banking markets to foreign institutions." An analytical history of this important process in the United States, Japan, Canada and Australia occupies much of the volume and provides a useful record in itself. But it is as a study of the dynamics of interdependence that the book stands out. In addition, we are shown clearly and quite persuasively how the interplay of domestic and international pressures from government and business—working differently in each country—has moved international banking toward something like common standards. Mr. Pauly, who has been a banker in Canada and taught economics, writes clearly and succinctly, making his book valuable to laymen as well as specialists.

PACIFIC TRADE: INVESTMENTS AND POLITICS. By Gavin Boyd. New York: St. Martin's, 1989, 195 pp. $39.95.

After a dense analysis of the conflicting governmental and private economic forces at play in the Pacific, Professor Boyd concludes that

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"regional cooperation that develops pragmatically and experimentally will . . . tend to fail." Nevertheless, he is a strong champion of creating a Pacific Community through complex activities that begin with the planning and building of institutions by private elites in all countries. Among the major objectives is putting some restraints on the way power is used by the governments and corporations of the United States and Japan. He assigns an important part for the European Community to play in a lengthy process that certainly looks as if it would have to be experimental and pragmatic.

U.S. EXPORT CONTROL POLICY: EXECUTIVE AUTONOMY VS. CONGRESSIONAL REFORM. By William J. Long. New York: Columbia University Press, 1989, 172 pp. $30.00.

This good examination of the legislation covering strategic export controls from 1948 to 1985 stresses the ability of the executive branch to retain freedom of action in spite of recurring criticism from Congress and business. It does not go deeply into the conflicts within the executive branch or the effects of the controls themselves.

THE DEBT AND THE DEFICIT: FALSE ALARMS/REAL POSSIBILITIES. By Robert Heilbroner and Peter Bernstein. New York: Norton, 1989, 140 pp. $12.95.

This stimulating book provides the pleasure of puncturing the balloon of oversimplification and the intellectual satisfaction of elegant delineation of the many ways national debts can be measured and shown to be useful as well as harmful. The analysis of how the American fiscal deficit arose further subverts conventional wisdom and the authors make the familiar case for a capital budget. They take seriously the import surplus and agree that the budget deficit is a very real problem; but they are not very clear about how they would deal with these two issues during the substantial period of time it would take to act on the more fundamental problems of the national economy that they list.

THE WASTE OF NATIONS: DYSFUNCTION IN THE WORLD ECONOMY. By Douglas Dowd. Boulder (Colo.): Westview Press, 1989, 138 pp. $29.95 (paper, $13.95).

The waste is in arms production, unemployed resources, restrictions on output, financial manipulation, advertising, unnecessary activities generated by the pursuit of profit, bureaucracy, and the overcapacity in some fields that coexists with shortages in others. The analysis slips back and forth between perceptive insights and good historical perspectives on the one hand and conventional arguments—some mainstream, some left-leaning—on the other.

PASSAGE TO A HUMAN WORLD: THE DYNAMICS OF CREATING GLOBAL WEALTH. By Max Singer. New Brunswick (N.J.): Transaction Books, 1988, 390 pp. $32.95 (paper, $16.95).

Optimism about the world economy needs a boost from time to time. It gets a pleasant one from this celebration of growth and rebuttal of alarms. There are engaging arguments—for example, "The basic thing that happens in economic development is that people become more valuable." More modest than many who write in this vein, Mr. Singer—formerly of the Hudson Institute—often suggests how difficulties can be dealt with rather

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than defining them away. But his case often sounds too good to be true—and not everyone will like the future world he describes.

AN INDUSTRIALIST IN THE TREASURY: THE POSTWAR YEARS. By Edwin Plowden. London: André Deutsch, 1989, 220 pp. £15.95.

The failed Labour Party effort to plan the British economy, the collapse of a Tory proposal to plunge into convertibility with a floating pound, the long haul to bring about the first devaluation of sterling, recovery under the Marshall Plan and the setbacks caused by the Korean War and rearmament, and the British rejection of the Schuman Plan: these are among the high points of these memoirs of 1947 to 1952 by Lord Plowden, who began the period as Chief Planner. Basically a spare, authoritative account, it has a few excellent stories and personality sketches, not least of Sir Stafford Cripps and Ernest Bevin.

EEC-EFTA: MORE THAN JUST GOOD FRIENDS? Edited by J. Jamar and H. Wallace. Bruges: College of Europe, 1988, 374 pp.

If the European Community carries out its plans for 1992, what will be the effect on the European Free Trade Area, which comprises the other countries of Western Europe? Perhaps, says Helen Wallace of Chatham House, "an experiment in living together has to be made, with a decision about marriage later." Other participants in the proceedings of a conference at the College of Europe in Bruges in 1988 are more skeptical about any general arrangement. Bilateral approaches may be more promising since, as P. Wijkman of the EFTA secretariat says, "Several EFTA countries are more integrated with the Community than are most Community members." Though inconclusive, the material in this book is rich and goes well beyond familiar economic issues.

THE INTERNATIONAL POLITICAL ECONOMY OF COFFEE: FROM JUAN VALDEZ TO YANK'S DINER. By Richard L. Lucier. New York: Praeger, 1988, 332 pp.

Commodity studies are somewhat out of fashion but this one reminds us how interesting and enlightening they can be. Starting with the fall in coffee sales in Yank's Diner in Scranton in late 1976, which followed the rise in prices caused by a frost in Brazil the previous year, this analysis looks into the way coffee is produced and sold, its place in economic development, clashes and agreements between producing and consuming countries, and the political dimensions of their interdependence. Without being definitive, and focusing mainly on Brazil, Colombia, the Ivory Coast and the United States, Professor Lucier of Denison University shows us how useful it is to get behind the statistics and at least part way into the real world.

WHEN NATIONS CLASH: RAW MATERIALS, IDEOLOGY AND FOREIGN POLICY. By Ronnie D. Lipschutz. Cambridge: Ballinger, 1989, 344 pp. $34.95 (paper, $19.95).

STRATEGIC MINERALS: THE GEOPOLITICAL PROBLEMS FOR THE UNITED STATES. By Ewan W. Anderson. New York: Praeger, 1988, 176 pp. $39.95.

Applying an original, complex and rather labored approach to the policies of Britain, the United States and the U.S.S.R. in the postwar period, Mr. Lipschutz shows that conventional ideas about the vital importance of

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raw materials in shaping international relations are, to put it mildly, oversimplified. On more familiar ground, Mr. Anderson reports on U.S. dependence on imported raw materials and suggests that the situation is none too alarming if sensible policies are pursued.

THE HUNGARIAN ECONOMY IN THE 1980s: REFORMING THE SYSTEM AND ADJUSTING TO EXTERNAL SHOCKS. Edited by Josef C. Brada and Istvan Dobozi. Greenwich (Conn.): Jai Press, 1988, 277 pp. $35.10.

For over twenty years "reform" has been the hallmark of the Hungarian economy. When there are successes and when there are setbacks, there are always calls for more reform. In this book, a dozen American and Hungarian economists assess various aspects of the record up to the mid-1980s. Their findings are diverse and a few are surprising, but as the American editor Josef Brada remarks, "The future of the reform movement in Hungary appears more secure than does Hungary's ability to establish external balance and domestic economic growth."

SOVIET STEEL: THE CHALLENGE OF INDUSTRIAL MODERNIZATION IN THE U.S.S.R. By Boris Z. Rumer. Ithaca (N.Y.): Cornell University Press, 1989, 251 pp. $29.95.

On the eve of perestroika the Soviet steel industry suffered from a set of troubles that made for more inefficiency and inflexibility, and gave many people "a vested interest in ignorance" about its true condition. This valuable study—thoroughgoing, concrete and quite detailed—throws light on a wide range of issues and shows the key importance of a debate about investment in expansion vs. modernization. Dr. Rumer of Harvard was formerly an economist for the Soviet construction industry. He believes that basic improvement depends on a change in the economic system, not better management.

MANAGING THE AMERICAN ECONOMY FROM ROOSEVELT TO REAGAN. By Nicolas Spulber. Bloomington: Indiana University Press, 1989, 172 pp. $25.00.

To discuss the interplay of economic thought, economic conditions and national policy from the Depression on, Professor Emeritus Spulber of Indiana University has brought together a mass of material of special interest to economists. He makes many good points but says not much about American foreign economic relations.

GOVERNMENT POLICY TOWARDS INDUSTRY IN THE UNITED STATES AND JAPAN. Edited by John B. Shoven. New York: Cambridge University Press, 1988, 354 pp. $47.50.

Though it deals with fundamentals, this collection of conference papers by Japanese and American authors will frustrate those looking for clear conclusions about the differences in the economic performance of the two countries. About half the papers comprise sophisticated statistical analyses that produce different results according to how savings, taxes and the cost of capital are measured. Papers on energy, declining industries, the capital structure of firms and the way the bureaucracies function provide interesting descriptions but leave open the weight of these factors.

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THE FINANCIAL BEHAVIOR OF JAPANESE CORPORATIONS. By Robert J. Ballon and Iwao Tomita. Tokyo and New York: Kodansha International, 1988, 268 pp. $24.95.

Naturally much of this book concerns technical detail but it is a valuable guide to the differences between Western and Japanese businesses and the way the latter handle debt, equity and profits. Professor Ballon of Sophia University and Mr. Tomita of Touche Ross International, who write clearly as well as authoritatively, see important changes since the mid-1970s in how Japanese industry is financed.

UNKEPT PROMISES, UNCLEAR CONSEQUENCES: U.S. ECONOMIC POLICY AND THE JAPANESE RESPONSE. Edited by Ryuzo Sato and John A. Rizzo. New York: Cambridge University Press, 1989, 200 pp. $29.95.

Several major American economists differ in their diagnoses of the trade imbalance between the United States and Japan. The editors' unsurprising prescription is for more cooperation since both are "significantly responsible." They suspect, though, that there will be "serious trade friction" that will make things worse.

ECONOMIC AND STRATEGIC ISSUES IN U.S. FOREIGN POLICY. Edited by Carl-Ludwig Holtfrerich. Berlin and New York: de Gruyter, 1988, 297 pp. $39.95.

For a conference in Berlin in 1987 a number of European scholars and a few Americans prepared these papers which cover familiar basic issues and a few unusual ones. Their aim—with reasonable success—is to link foreign policy and security with "the relative weakening of the American economic base."

## *The United States*

*Gaddis Smith*

THE AMERICAN EXPERIMENT, VOL. III: THE CROSSWINDS OF FREEDOM. By James MacGregor Burns. New York: Knopf, 1989, 864 pp. $35.00.

This extremely readable volume completes a masterwork: the first scholarly comprehensive history of the United States since the early years of this century. Beginning with the election of Franklin Roosevelt and concluding with the Reagan years, the author weaves vignettes of social and cultural history around a core of politics and foreign policy dramatically presented. Although Mr. Burns is acclaimed for his earlier two-volume biography of Roosevelt, the best chapter in this volume is on the downfall of Richard Nixon. Prediction: *The Crosswinds of Freedom* will win a major prize.

KENNEDY'S QUEST FOR VICTORY: AMERICAN FOREIGN POLICY, 1961–1963. Edited by Thomas G. Paterson. New York: Oxford, 1989, 407 pp. $34.50 (paper, $13.95).

Here are first-class archivally based articles on specific aspects of foreign policy in the Kennedy years, written for the most part by a younger generation of historians. The book can serve, incidentally, as a guide to the sources for further research. The editor's introductory assessment is very

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harsh, debunking the belief that Kennedy was "a fallen hero who never had a chance. Actually, he had his chance, and he failed." The individual articles, looking at the world's principal regions, support that bleak conclusion.

SPECIAL RELATIONSHIPS: A FOREIGN CORRESPONDENT'S MEMOIRS FROM ROOSEVELT TO REAGAN. By Henry Brandon. New York: Atheneum, 1989, 436 pp. $24.95.

The author was the Washington correspondent for *The Sunday Times* of London for 40 years, one of the most perceptive and best connected of journalists. His memoirs are a delight, full of illuminating anecdotes and astute assessments of American leaders. Dean Acheson was his favorite. His evaluation of Presidents Carter and Reagan, with which the book ends, are critical but fair.

A GATHERING AT THE RIVER: STORIES FROM A LIFE IN THE FOREIGN SERVICE. By Fred Godsey. Menlo Park (Cal.): Markgraf, 1989, 205 pp. $28.95.

Marvelous tales, most of them short but some possibly tall, of an American consular officer's adventures, mainly in Brazil during World War II and in Budapest from 1945 to 1950. The Brazilian parts are light-hearted and funny, the Hungarian ones not quite as much so. Lucy Despard

THE SALONIKA BAY MURDER: COLD WAR POLITICS AND THE POLK AFFAIR. By Edmund Keeley. Princeton: Princeton University Press, 1989, 395 pp. $24.95.

In 1948 American journalist George Polk (for whom a famous journalism award is named) was murdered in Salonika while covering the Greek civil war for CBS. This powerfully written historical detective work by a novelist and scholar of Hellenic culture at Princeton traces the convoluted politics of the investigation of the crime and subsequent trial of a communist who was probably a scapegoat. The examination of evidence, much of it problematic and contradictory, is a tour de force, as is the insight into personalities. Professor Keeley leaves the reader with good reason to believe that the Greek, American and British governments—aided by American dignitaries Walter Lippmann and William Donovan—colluded to frame the left, obstruct investigation of the role of the right in the murder, and cover up rank injustice.

THE WORLD THAT FDR BUILT. By Edward Mortimer. New York: Scribners, 1988, 452 pp. $24.95.

This unusual book is a collective political oral history of the contemporary world of a British journalist, based on conversations with dozens of individuals on several continents and divided into those who were in positions of responsibility and/or intellectual leadership during FDR's lifetime (those born early in the century) and "FDR's children" (those born after 1935). Of the 58 individuals interviewed, only three are women.

NATIONAL SECURITY AND THE U.S. CONSTITUTION. Edited by George C. Edwards III and Wallace Earl Walker. Baltimore: Johns Hopkins, 1988, 340 pp. $39.50.

Not a rehash of the struggle for control of foreign policy between Congress and the president, nor ideological special pleading, these original

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scholarly essays define the entire political system—with its horizontal and vertical separations and multiplicity of influential voices and interests—as the product of the Constitution. The authors discuss national security in the broadest terms, involving the setting of goals for the state, defense, foreign relations and economic policy—all interconnected. A good book.

AMERICA IN THEORY. Edited by Leslie Berlowitz, Denis Donoghue and Louis Menand. New York: Oxford, 1989, 302 pp. $22.95.

These essays by 17 scholars in several fields—history, law, philosophy, literature and the social sciences—are unified by denial that there is a single objective theory of the meaning of America. Most authors explicitly or implicitly see adherence to a single theory—such as the doctrine that original constitutional intent should determine present policy—as reactionary and repressive. An example is Deborah Rhode's strong essay on "Gender Equality and Constitutional Traditions."

THE FETTERED PRESIDENCY: LEGAL CONSTRAINTS ON THE EXECUTIVE BRANCH. Edited by L. Gordon Crovitz and Jeremy A. Rabkin. Washington: American Enterprise Institute, 1989, 360 pp. $29.95 (paper, $14.95).

Thirty-one papers and comments produced for an American Enterprise conference in 1988 and comprising a mutual concern over the perceived injuries to executive capacity at the hands of an unwieldy and irresponsible Congress. The dominant tone is one of regret that even the Reagan Administration—in which many of the contributors served (e.g., Weinberger, Sofaer, Perle, Kirkpatrick, Abrams)—finally fell "victim to the mysterious political curse that had brought down each of its predecessors of the two previous decades." Defenders of Congress will find here a rich compendium of the views of their opponents.

FOREIGN AID AND AMERICAN PURPOSE. By Nicholas Eberstadt. Washington: American Enterprise Institute, 1989, 180 pp. $16.75 (paper, $8.50).

The author argues that American foreign aid should, without apology, "augment American political power throughout the world . . . (and) support the postwar liberal international economic order." He is critical of aid funnelled through the United Nations, and of linking development and security assistance.

ROOSEVELT AND STALIN: THE FAILED COURTSHIP. By Robert Nisbet. Washington: Regnery Gateway, 1989, 120 pp. $14.95.

This essay, in tones reminiscent of anti-Soviet polemics of the early 1950s, presents Franklin D. Roosevelt's naïve belief that he could "personally handle" Stalin as a case study in support of the indictment of American liberalism for being less critical of the left-wing totalitarianism of enemies than of the right-wing authoritarianism of friends.

ROLLBACK: RIGHT-WING POWER IN U.S. FOREIGN POLICY. By Thomas Bodenheimer and Robert Gould. Boston: South End Press, 1989, 272 pp. $12.00 (paper).

An interesting analysis, from the left, of the broad move to the political right of the American foreign policy elite, and of division within that elite

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between traditional conservatives and advocates of a hard-line attempt to roll back the Soviet Union.

THE 1988 MEDIA GUIDE: A CRITICAL REVIEW OF THE PRINT MEDIA. Edited by Jude Wanninski. Morristown (N.J.): Polyconomics, 1989, 435 pp. $19.95.

In a free-wheeling and informal style, this guide reviews the 1988 performance of the nation's leading magazines and newspapers and their columnists and reporters; cites the best stories in several categories, and analyzes the press coverage of the most important events of 1988. A "must" and a delight for the profession.

## *The Western Hemisphere*

*Abraham F. Lowenthal*

TO MAKE A WORLD SAFE FOR REVOLUTION: CUBA'S FOREIGN POLICY. By Jorge I. Domínguez. Cambridge: Harvard University Press, 1989, 365 pp. $35.00.

The dean of this country's Cubanologists argues that although Cuba is a small country, it "has the foreign policy of a big power." Within the context of Soviet hegemony, Cuba has taken a number of independent international initiatives, shaped by a peculiar mixture of revolutionary militancy and political pragmatism. Domínguez analyzes Cuba's relations with revolutionary movements and revolutionary states, capitalist countries, the superpowers and other countries in the Americas and in the Third World. The final chapter, based on extensive interviews in Havana during the past five years, provides innovative insights about how Cuban foreign policy is made. An authoritative work.

SOMOZA FALLING. By Anthony Lake. Boston: Houghton Mifflin, 1989, 301 pp. $18.95.

The director of the State Department's Policy Planning staff during the Carter Administration, Anthony Lake provides a highly readable and illuminating account of the way the U.S. foreign policy machinery responded to the fall of Nicaraguan strongman Anastasio Somoza during 1978 and the first seven months of 1979. Emphasizing how foreign policy decisions are shaped by incomplete information, limited time, domestic political pressures to compromise and the decision-makers' inadequate grasp of the relevant history, Lake reminds us that a small country which became the obsessive focus of President Reagan's foreign policy in the 1980s was mostly ignored during the crucial months in 1978–79 when greater attention and creativity by U.S. policymakers might have made an important difference.

SANDINISTAS. By Dennis Gilbert. New York: Basil Blackwell, 1988, 234 pp. $24.95.

A serious and scholarly attempt to analyze the ideology, organization and policies of Nicaragua's Sandinista movement, with an emphasis on unresolved tensions between the Sandinistas' Marxist ideology and their pragmatic policies. This is by no means the definitive work but it is the most balanced and best-informed account yet published of the Nicaraguan revolutionary process.

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EL SALVADOR AT WAR: AN ORAL HISTORY. Edited by Max G. Manwaring and Court Prisk. Washington: National Defense University Press, 1988, 500 pp. $9.00 (paper).

First prepared as a project by General John R. Galvin when he was commander in chief of the U.S. Southern Command, and then encouraged and supported by Ambassador Edwin G. Corr and General Fred C. Woerner, this volume provides the perspectives of many of the key actors in El Salvador's civil war of the 1980s. Salvadoran military officers and guerrilla commanders, U.S. civilian and military officers assigned in El Salvador, Salvadoran civilian officials and civilian leaders—all of them interviewed by the editors and their colleagues—provide contrasting and complementary insights about a seemingly intractable conflict. A valuable source.

POWER AND POPULAR PROTEST: LATIN AMERICAN SOCIAL MOVEMENTS. Edited by Susan Eckstein. Berkeley: University of California Press, 1989, 342 pp. $13.95.

Historians, sociologists, political scientists and anthropologists from Latin America, the United States and Europe have collaborated to produce these empirically detailed and analytically grounded essays on different forms of defiance in contemporary Latin America: from Peru's frightening Shining Path to the upper-middle-class mothers of the Plaza de Mayo in Argentina, from tin miners in Bolivia to religious movements of different shapes throughout Latin America. Most studies of Latin America today focus on elite concerns and perspectives—state structures, political parties and interest groups. This stimulating collection, by focusing on "popular" groups, helps to redress the balance. In a challenging introductory essay, the editor analyzes class and market relations, gender, politics and religion as diverse sources of discontent and shows how these are channelled in different ways as a result of institutional structures, interclass ties and alliances, state structures, and global economic and geopolitical forces.

THE ALLIANCE FOR PROGRESS: A RETROSPECTIVE. Edited by L. Ronald Scheman. New York: Praeger, 1988, 304 pp. $42.95.

This volume is the product of a conference held at Georgetown University exactly 25 years after President John F. Kennedy launched the Alliance for Progress, an ambitious program of inter-American cooperation for economic development. Thirty-one authors—among them some of the principal architects of the alliance—reflect on its contributions and limitations. Although unilaterally proclaimed, conceptually flawed and troubled from the start by internal contradictions, the alliance did represent a major advance in U.S. policy toward Latin America; development planning was validated, the region's infrastructure was strengthened, and technical competence was strongly reinforced.

DEMOCRATIZING BRAZIL: PROBLEMS OF TRANSITION AND CONSOLIDATION. Edited by Alfred Stepan. New York: Oxford, 1989, 404 pp. $35.00 (paper, $14.95).

Twelve legal scholars, six of them from Brazil, lucidly analyze the slow decomposition of Brazil's military authoritarian regime in the early 1980s and the uncertain emergence of a still incomplete democratizing alternative, fraught with profound economic and political problems. Of particular interest are well-documented studies by four U.S. scholars of the church,

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grass-roots popular movements, women's groups and labor unions, as well as two provocative essays by Brazilian scholar-politicians Fernando Henrique Cardoso and Francisco Weffort. An important benchmark study.

AGONY IN THE GARDEN: A STRANGER IN CENTRAL AMERICA. By Edward R. F. Sheehan. Boston: Houghton Mifflin, 1989, 362 pp. $18.95.

This is a travelogue in the best sense of the word. As did many, journalist Edward Sheehan went to Sandinista Nicaragua in 1985 "with considerable, if qualified, sympathy" for the revolutionary movement. But as he talked with people all over the country, he came to believe that it had failed its people in numerous ways. The author's Catholic views are apparent, and he seeks out the clergy of the Central American countries. Although the book is mostly about Nicaragua, there are chapters revealing Honduras's poverty, El Salvador's embattlement and Guatemala's legacy of brutal counterinsurgency. Linda Robinson

DIEFENBAKER'S WORLD: A POPULIST IN FOREIGN AFFAIRS. By H. Basil Robinson. Toronto: University of Toronto Press, 1989, 351 pp. $29.95.

John Diefenbaker, Canada's Conservative prime minister from 1957 to 1963, was stubborn, parochial, nationalistic, unbeguiled by the glamor of international politics—no favorite in Washington or London. This inside account, by a senior Canadian diplomat who served for five years as Diefenbaker's liaison with the Department of External Affairs, describes how Diefenbaker approached foreign policy in terms of domestic politics. There is excellent material on the rift between Diefenbaker and John F. Kennedy, connected with the issue of nuclear weapons in Canada and exacerbated by the Cuban missile crisis. Gaddis Smith

## *Western Europe*

*Fritz Stern*

AT THE CREATION OF A NEW GERMANY: FROM ADENAUER TO BRANDT. By George McGhee. New Haven: Yale University Press, 1989, 289 pp. $25.00.

United States Ambassador to the Federal Republic from 1963 to 1968, from the end of the Adenauer era to the eve of the Social-Liberal coalition, McGhee draws heavily on his original reports about political conditions, often reflecting his wide-ranging conversations. A useful, perceptive account which recalls that some of today's problems have deep roots: American protestations concerning the right to reunification, German nervousness about U.S. support, economic disputes and American concerns about Ostpolitik. Also a good record of how the Vietnam War proved a disruptive element in our relations with Europe.

HITLER: THE PATH TO POWER. By Charles Bracelen Flood. Boston: Houghton Mifflin, 1989, 686 pp. $24.95.

A retelling of Hitler's political life from 1919 to 1925, to the moment he was paroled from prison after the failed putsch of 1923. A book that dramatically weaves together a few new sources with relatively well-known

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bits and pieces from a few published works and concentrates on the violent atmosphere of the time and on Hitler as the gifted conveyor of his obsessive hatreds, particularly, of course, of the Jews. A not altogether successful work on the borderline between history and fiction.

WRITING AND THE HOLOCAUST. Edited by Berel Lang. New York: Holmes & Meier, 1988, 301 pp. $45.00 (paper, $19.95).

Articles originally presented to a conference, dealing with the unique difficulties and responsibilities confronting anyone seeking to convey the horrors of the Holocaust. Important reflections of a moral and philosophical character. Irving Howe expresses a shared truth: "We may register the pain of (the Holocaust's) unhealed wounds; but finally we must acknowledge that it leaves us intellectually disarmed. . . ." More specifically, he quotes Primo Levi: "We became aware that our language lacks words to express this offense, this demolition of man."

WHY DID THE HEAVENS NOT DARKEN? THE "FINAL SOLUTION" IN HISTORY. By Arno J. Mayer. New York: Pantheon, 1988, $27.95.

If more evidence is ever needed for the proposition that the Holocaust endures as a living phenomenon of searing emotive power—and not by now a well-distanced historical episode—this book and the controversy it has generated is that proof. Professor Mayer of Princeton analyzes the Nazi outrage against the Jews in the context of modern European history, from the Thirty Years War onward. His chosen format is an interpretive essay upon known records, not an unearthing of hidden archives; his study has no source notes, a point which understandably upsets Holocaust scholars. What many specialists find more offensive, however, is Mayer's air of detached urbanity in confronting the hideous. Yet it is a gross distortion to claim that Mayer is slyly attempting to minimize—or even trivialize—the Jewish agony, of which members of his own family were victims. A more substantive point is worth honest debate: that the Nazi drive to actually exterminate the Jews was a function of Hitler's losing war against Soviet Russia, rather than an extension of the Nazi anti-semitism that had been present from the start. This important contribution to the literature of the Holocaust is ill-starred, ultimately, for trying to graft rational explanations upon irrational acts. Peter Grose

THE GREAT BETRAYAL: BRITAIN, AUSTRALIA AND THE ONSET OF THE PACIFIC WAR, 1939–42. By David Day. New York: Norton, 1989, 388 pp. $19.95.

A young Australian historian reconstructs Britain's wartime attempt to extract maximum help from Australia while assuring it of continued British protection. The British, hard pressed and partly self-deluded, deceived the Australians who still indulged in colonial attitudes of dependency and convenient passivity. A gripping work, based on much new material, casting a critical light on Churchill in particular and suffused with a controlled anger at Australian collusion in Britain's dismissive attitude. A major contribution to several neglected fields, including Australia's own relentless racism. Harsh, persuasive and important.

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OPTIONS FOR BRITISH FOREIGN POLICY IN THE 1990s. By Christopher Tugendhat and William Wallace. New York: Routledge (for the Royal Institute of International Affairs), 1988, 125 pp.

An informative, realistic account of British policies, beginning with postwar illusions and post-Suez depression to the present, somewhat grating mood of Mrs. Thatcher's "We now have a new Britain, confident, optimistic, sure of its economic strength. . . ." The authors, both with earlier Conservative positions and now with major responsibilities at Chatham House, emphasize the economic aspect of foreign policy, and point to the need for greater political openness in regard to the realities of foreign policy—in which traditional sovereignty plays ever less of a role. Not by stealth can the necessary domestic consensus be created.

WESTERN APPROACHES TO THE SOVIET UNION. Edited by Michael Mandelbaum. New York: Council on Foreign Relations, 1988, 113 pp. $10.95 (paper).

The Soviet threat has been the guarantor of the Western alliance; strains could be subordinated to the common danger, most clearly perceived and proclaimed by the United States. In this excellent account by four outstanding authorities, the divergences regarding our policies toward the Soviet Union are analyzed and the "Gorbachev factor" is convincingly put in its historical and political context.

FRANCE 1943–1945. By Hilary Footitt and John Simmonds. New York: Holmes & Meier, 1988, 319 pp. $59.50.
ITALY 1943–1945. By David W. Ellwood. New York: Holmes & Meier, 1988, 313 pp. $59.50.
POLAND 1939–1947. By John Coutouvidis and Jaime Reynolds. New York: Holmes & Meier, 1988, 393 pp. $59.50.

These books, part of the Politics of Liberation series, provide detailed background about the closing years of World War II (in Poland's case, the entire war years) and the establishment of the postwar regimes in each of these countries. A useful series.

## *The Soviet Union and Eastern Europe*

*John C. Campbell*

THE GRAND FAILURE: THE BIRTH AND DEATH OF COMMUNISM IN THE TWENTIETH CENTURY. By Zbigniew Brzezinski. New York: Scribners, 1989, 278 pp. $19.95.

Professor Brzezinski is looking at the same phenomena as are other knowledgeable observers of the communist world, but his gaze is not on this or that leader, on today's or tomorrow's reform, but on the Big Picture. What he sees is the ideology and the system—not just the Stalinist excess but the Leninist essence as well—in inexorable and now rapid decline. If reform and revisionism (Gorbachev is a true revisionist) succeed in producing the goods, they will erode the controlled one-party state; if they fail, current problems will be compounded. Either way, communism is approaching its end as a significant world phenomenon. This is a book written for a wide public with the author's customary self-confidence, verve and iron logic. Intended as a bombshell, it will provoke much discussion and dissent

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from both right and left. It raises some pertinent questions. If the cold war is won and the Soviet empire a rotting corpse, what are the requirements of Western defense? What need for further negotiations on arms control? And what is the West to do about the coming crisis—which Brzezinski is quite right in predicting—in Eastern Europe?

PERESTROIKA 1989. Edited by Abel G. Aganbegyan. New York: Scribners, 1989, 346 pp. $14.95 (paper).

Although these writings, unlike a Communist Party program, do not have the authority of holy writ, they do represent a full and genuine presentation of those who are carrying the banner of perestroika. The leading contributions are those of Alexander Yakovlev (on the political aspects) and Aganbegyan (on economic reform). The others—on law, culture, social forces and other matters—complete a broad picture and are a reflection of real change intended and in progress, not just effective advertising; the book is no mere rehash of Gorbachev's speeches and of party pronouncements. There are some unexpected extras. Fyodor Burlatsky gives his personal recollections of Khrushchev and Brezhnev, and world chess champion Gary Kasparov writes frankly about Soviet sports and about his championship matches with Anatoly Karpov.

MOSCOW SPRING. By William and Jane Taubman. New York: Summit Books, 1989, 296 pp. $19.95.

The Taubmans, Amherst College professors, of Soviet politics and Russian language and literature respectively, spent the first five months of 1988 in the U.S.S.R. observing the effects of glasnost among their many friends and acquaintances in the intelligentsia. They report with a human touch, with honesty and enthusiasm on the extent and rapidity of the atmospheric change, and this kind of individual witness, while not the whole story, reveals much that is missing in the more general and academic efforts to assess the Gorbachev reforms. Comparison with the Prague Spring of 20 years ago inevitably comes to mind, perhaps ominously, but these are changes taking place at the very heart of the "socialist commonwealth."

GORBACHEV AND THE SOVIET FUTURE. Edited by Lawrence W. Lerner and Donald W. Treadgold. Boulder (Colo.): Westview Press, 1989, 284 pp. $43.50.

As the mountain of books on Gorbachev and his policies rises higher, reviewers and readers are about ready to say "uncle." Two problems seem to plague all the available literature. The first is that, as most authors admit, it is too early to tell what the reforms really mean and whether and in what ways they will succeed or fail. The second is that, especially in the case of multi-author books, they are so often outrun by events. The volume at hand, which cannot avoid these problems, is nevertheless one of the more successful of such endeavors because its authors (who include Herbert Ellison, Archie Brown, Alexander Dallin and Robert Campbell) are solid scholars, well versed in Soviet affairs and unafflicted by undue enthusiasm or negativism, who have taken this assignment seriously.

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OUR MAN IN MOSCOW: A DIPLOMAT'S REFLECTIONS ON THE SOVIET UNION. By Robert A. D. Ford. Toronto: University of Toronto Press, 1989, 356 pp. $29.95.

Canadian ambassador to the U.S.S.R. from 1964 to 1980 and directly concerned with Soviet affairs both before and after, Robert Ford had extraordinary opportunities to acquaint himself with Soviet politics and society and made good use of them. His book is many in one: part diplomatic memoir, part commentary on the changes taking place in Soviet society from Stalin's era to the last years of Brezhnev, part history of East-West relations in its successive phases of cold war and détente. Much of it covers familiar ground, but there are occasional interesting spots relating to Ford's own role and advice, and the narrative is enlivened by conversations with Soviet officials and also with Soviet literary and artistic figures whom Ford, himself a poet, knew well.

MOSCOW'S THIRD WORLD STRATEGY. By Alvin Z. Rubinstein. Princeton: Princeton University Press, 1989, 311 pp. $29.95.
THE LIMITS OF SOVIET POWER IN THE DEVELOPING WORLD. Edited by Edward A. Kolodziej and Roger E. Kanet. Baltimore: Johns Hopkins, 1989, 531 pp. $47.50.

These books overlap, complement one another and sometimes clash; both have important things to say about Soviet policy in the Third World and its place in East-West relations. The Kolodziej/Kanet approach tends toward the encyclopedic, with well-qualified specialists writing up-to-date studies on individual countries and regions. The emphasis is on the "limits" indicated by the title and underlined by the editors in their introductory and concluding chapters. Rubinstein's book is written with a sure touch and mastery of the material, which he organizes according to different aspects of Soviet policy (involvement, intervention, support of liberation movements, and so on) rather than geographically. He wisely concentrates on interpreting policy through actions rather than poring over the voluminous Soviet literature on trends in Third World societies, which he regards as largely post-facto rationalization. He gives the Soviets much credit—too much—for the consistency and past success of their strategy and expects more of the same in the future.

THE SOCIAL IMPACT OF THE CHERNOBYL DISASTER. By David R. Marples. New York: St. Martin's, 1988, 316 pp. $35.00 (paper, $14.95).

Professor Marples has combed through all the available material from Soviet and outside sources to piece together the consequences of the disaster and to see how the Soviet authorities have handled such matters as the environmental effects, the number and fate of the victims, the economic consequences, and programs of reconstruction and restoration. It is not an easy task since the evidence is sometimes contradictory. The book directs attention to the broader policy debate on the future of nuclear power in the Soviet Union, which has influenced both what the Soviets have done about Chernobyl and what they have said about it to their own public and to the world. It is an ongoing story.

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THE USE AND ABUSE OF SOVIETOLOGY. By Leopold Labedz. New Brunswick (N.J.): Transaction Books, 1989, 372 pp. $39.95.

Leopold Labedz, as writer and editor, has never hesitated to enter the lists against those who, with some repute as experts on the Soviet Union and communism, have misread history or slighted the truth. Most of these essays, originally appearing in *Encounter* or *Survey*, are directed at particular individuals, either in praise or in blame. Examples of the former are Leszek Kolakowski, Czeslaw Milosz, Raymond Aron; of the latter, Isaac Deutscher, E.H. Carr and George Kennan. No reader will be bored.

WHAT IS TO BE DONE? By Nikolai Chernyshevsky. Ithaca (N.Y.): Cornell University Press, 1989, 449 pp. $39.95 (paper, $12.95).

This extraordinary novel, published in Russia in 1863, allegedly inspired generations of Russian radicals and was to the Russian Revolution what *Uncle Tom's Cabin* was to the American Civil War. Its author was a member of the Russian intelligentsia who believed in Western science and technology as well as Western utopian thinking as the engines for social transformation in Russia; above all, they believed in the "leading role" of the intellectuals—themselves. Today the novel is something of a curiosity but is intensely interesting nonetheless. Surprisingly, its dominant preoccupation is neither politics nor economics but the emancipation of women, its main character a feminist (and a very engaging one). The book is analytical, didactic, talky and long-winded; it is also witty and psychologically sharp. The translation by Michael R. Katz is the first new American translation in more than a century. It reads well and has copious annotations by William G. Wagner.

Lucy Despard

THE CRISIS OF MARXIST IDEOLOGY IN EASTERN EUROPE. By Vladimir Tismaneanu. New York: Routledge, 1988, 232 pp. $35.00.

The author's "autopsy of Stalinism" is the familiar exposé of the totalitarian system at its height. His analysis of revisionism is a keen and at times original critique of the many efforts to go back to Lenin or Marx, to give Marxism a human face, to reform it without basic change in the one-party system, efforts doomed to frustration and failure. The only way out, now evident to East European intellectuals (including the author), is to move from revisionism to apostasy, to work for real pluralism and democracy. Tismaneanu, consistent with his historical argument, is skeptical of Gorbachev's reformism, which he finds rooted in the Stalinist legacy.

FAILED UTOPIAS: METHODS OF COERCION IN COMMUNIST REGIMES. By Arch Puddington. San Francisco: Institute for Contemporary Studies Press, 1989, 283 pp. $19.95.

The methods of totalitarianism are well known: regimentation, indoctrination, closed borders, secret police, informers and so on. In case we have forgotten or never really understood, the author reminds us that they still exist in the U.S.S.R., Eastern Europe, Cuba, Vietnam, Ethiopia and wherever communists have taken over; they are the means enabling unpopular regimes to survive. The apparent purpose of the book is to counteract the Western public's naïveté and wishful thinking and the noxious influence of fellow travelers, all of which the author surely exaggerates.

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REVOLUTION FROM ABROAD: THE SOVIET CONQUEST OF POLAND'S WESTERN UKRAINE AND WESTERN BELORUSSIA. By Jan T. Gross. Princeton: Princeton University Press, 1988, 334 pp. $25.00.
MY CENTURY: THE ODYSSEY OF A POLISH INTELLECTUAL. By Aleksander Wat. Berkeley: University of California Press, 1988, 407 pp. $35.00.

What happened to the population of Poland's eastern provinces when Soviet forces invaded in September 1939—mainly to the Poles but also to Jews, Lithuanians and others, and to the "liberated" Ukrainians and Belorussians as well—is told in Jan Gross's carefully researched study based largely on material from thousands of individual depositions collected during the war on behalf of the Polish government in London. Although Polish witnesses were not always wholly objective about Russians and Ukrainians, the detailed personal testimony on the killings, incarcerations and deportations, and on Soviet policy in action, is nonetheless convincing as well as dramatic and chilling. Aleksander Wat's autobiography recounts one individual's experience during that same 1939–41 period, which he spent in the prisons of Lwow, Kiev, Moscow and Saratov. Wat was a Polish-Jewish poet and man of letters, typical of the central European intelligentsia of the prewar period, alienated from his own government, drawn to Western culture, fearful of fascism and dabbling in Marxism, and then swept into the maelstrom of war. His book, in the form of taped conversations with Czeslaw Milosz in the 1960s, takes the reader not only into Soviet prisons but also into the mind of a remarkable man, Wat himself.

AFTER THE BARGAIN: THE HUNGARIAN REFORM. Edited by Lajos Gubcsi. Budapest: Progresprint, 1988, 170 pp.

Interviews with individuals now in key political and economic posts as Hungary enters the post-Kádár era. They are very frank in criticizing the inadequacies of the previous reforms under the New Economic Mechanism and in pointing to changes that should be made now; all within the one-party system, of course, but one wonders where the limits would be. Essential reading for those who would understand contemporary Hungary.

PARADISE REGAINED: MEMOIR OF A REBEL. By C. L. Sulzberger. New York: Praeger, 1988, 157 pp. $32.95 (paper, $12.95).

No, the rebel is not the former chief correspondent of *The New York Times*. It is Milovan Djilas, the colleague of Tito who became Yugoslavia's most famous dissident. Sulzberger, an admirer and friend of Djilas in those later years, honors him as a man, a fellow fisherman, a political philosopher and a writer. The book consists of snippets from Djilas's writings and from his conversations with the author, with considerable repetition of the main points. It is a sincere tribute to an extraordinary man.

REQUIEM POUR UN EMPIRE DÉFUNT: HISTOIRE DE LA DESTRUCTION DE L'AUTRICHE-HONGRIE. By François Fejtö. Paris: Lieu Commun, 1988, 436 pp. Fr. 150.

François Fejtö joins battle with those who attribute the dissolution of the dual monarchy of the Hapsburgs to its own weaknesses and the centrifugal force of its restive and demanding nationalities. He lays the blame on the decisions of Allied leaders driven by their own ideologies and seduced by the clever propaganda of such as Masaryk, Beneš and R.W. Seton-Watson;

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in other words, it was destroyed not from within but from without. It is a book well worth reading, marred by careless errors but with interesting material on wartime diplomacy and the Austrian efforts for a separate peace. This controversy over history will probably never be settled and need not be, but the debate itself remains important because the problem of the organization and stability of central Europe, as a region of many nationalities and the clashing interests of outside powers, is as relevant today as it was in 1918.

## *The Middle East*

*John C. Campbell*

THE CLOSED CIRCLE: AN INTERPRETATION OF THE ARABS. By David Pryce-Jones. New York: Harper & Row, 1989, 464 pp. $25.00.

This interpretation will not win many accolades among Arab readers. The author states that he is "no Arabist, no orientalist, no social or political scientist, or indeed specialist of any kind," but only a writer trying to make sense of what he has seen in several years of personal experience in the Middle East. He finds that Arab political culture is dominated by tribal and religious concepts of honor, shame and "power challenging" among a small elite, inevitably producing regimes of personal despotism, violence and repression. His sketches of Nasser, Sadat, Arafat, Assad and others, vividly presented with no modifying clauses, illustrate the theme. The book has many keen and perceptive things to say and is right in challenging the judgment of Westerners who have misread Arabs (and Turks and Iranians), expecting them to act like Europeans. But the author is himself a European, and many of his judgments are also open to challenge.

ARAFAT: A POLITICAL BIOGRAPHY. By Alan Hart. Bloomington: Indiana University Press, 1989, 560 pp. $39.95 (paper, $18.95).

Readers of Pryce-Jones's book (above) will not recognize Arafat from the portrait drawn here: the champion of Palestinian nationalism, the man of peace, the beloved and benevolent father of his people. This is, however, more than a sympathetic, semi-authorized biography. It constitutes a detailed running history of the PLO and the course of inter-Arab relations and the Arab-Israeli conflict from the mid-1960s to the present. Although no infallible or objective account of these events, it has inestimable value in telling how Arafat and his colleagues saw them (or what they chose to tell British journalist Alan Hart about how they saw them). The original British edition of the book came out in 1984. It is worth noting that it took the author four years to find an American publisher.

CREATING THE PALESTINIAN STATE: A STRATEGY FOR PEACE. By Jerome M. Segal. Westport (Conn.): Lawrence Hill, 1989, 192 pp. $18.95 (paper, $9.95).

A proposal by a Jewish American academic that is "essentially a plan of action" in which the Palestinians would take an initiating and central role in bringing peace to the Middle East. Looking toward a two-state solution, the plan calls for a Palestinian declaration of independence, the building of living structures of statehood in the West Bank and Gaza, and the mobilization of other forces, local and international, that will ultimately bring

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about Israeli withdrawal and negotiation of a final settlement. It is not as fanciful as it might seem and has some practical suggestions that have already had echoes in the region and could shake up conventional thinking on both sides.

MY ENEMY, MY SELF. By Yoram Binur. New York: Doubleday, 1989, 215 pp. $18.95.

An enterprising Israeli journalist, disguised as a Palestinian Arab, experiences in a series of episodes the life of the underclass in Israel and the occupied territories. The mistrust, fear and hate generated by two decades of occupation are palpable and seem ready to break forth into violence, as indeed they did in late 1987 after Binur had completed his novel experiment—which was one of considerable risk, especially the sojourn in one of the Gaza refugee camps. It is a gripping story and should be a disturbing one for Israelis and for Israel's American supporters to read.

DOMESTIC POLITICS AND REGIONAL SECURITY: JORDAN, SYRIA AND ISRAEL—THE END OF AN ERA? By Valerie Yorke. Brookfield (Vt.): Gower (for the International Institute for Strategic Studies), 1988, 400 pp. $69.95.

A review of domestic politics and their interaction with foreign policy in three key countries, setting the stage for extensive inquiry into Jordanian-Syrian relations and the prospects for an Arab-Israeli settlement. The material is fairly well known and can be found in other books; what distinguishes the treatment here is the analysis of political forces in play—the case study of Jordan is particularly good—and of dilemmas facing the leadership in all three countries. On the prospects for each, as on the prospects for Arab-Israeli peace, the author is coolly realistic and, with good reason, coolly pessimistic.

THE POLITICS OF FOREIGN AID: U.S. FOREIGN ASSISTANCE AND AID TO ISRAEL. By Mohamed Rabie. New York: Praeger, 1988, 280 pp. $39.95.

The argument of this book is that U.S. financial and other aid to Israel has reached proportions way out of line with that to any other country and that Israel has become an economic dependency, while at the same time control over use of the aid is in Israeli hands, often to the detriment of U.S. interests. The statistics cited, mostly from U.S. official sources, support that thesis. However, the overstatements, subjective generalizations and political pleading which mark the accompanying text do detract from the force of the argument.

DIPLOMATIE ISLAMIQUE: STRATÉGIE INTERNATIONALE DU KHOMEYNISME. By Mohammad-Reza Djalili. Paris: Presses Universitaires de France, 1989, 239 pp. Fr. 140.

It would be difficult to find a better analytical study of Iranian foreign policy over the decade of the Khomeini regime. It contains a balanced appreciation both of the central place of a universal and uncompromising ideology in the motivation of the clerical elite and of the pragmatism dictated by the facts of geography, economics and national interest. Against this background the book gives excellent brief presentations of Iran's policy toward the great powers, other Islamic states and the existing international order.

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THE LONG SHADOW: CULTURE AND POLITICS IN THE MIDDLE EAST. By Daniel Pipes. New Brunswick (N.J.): Transaction Books, 1988, 320 pp. $32.95.

Daniel Pipes has put together in one book various essays, articles and book reviews that he wrote and published in *Commentary* and elsewhere during the 1980s. He ties them up in five separate packages (Islam, the Persian Gulf, the Arab-Israeli conflict, terrorism and U.S. policy), and as a unifying theme cites his historian's perspective. He also takes note of cultural continuities and of a prescience at the time of writing that makes these pieces stand up today. The parts do not really make a whole, but Pipes is a talented scholar and observer, outspoken and at times controversial, always worth reading.

## *Asia and the Pacific*

*Donald S. Zagoria*

THE JAPANESE WAY OF POLITICS. By Gerald L. Curtis. New York: Columbia University Press, 1988, 300 pp.

This is a landmark study of Japan's political system that debunks many myths and erases a number of stereotypes. It is likely to be the standard work on Japanese politics for many years to come. Curtis, a professor of government at Columbia University, rejects the notion of Japan as a monolith of economic and political conformity and presents a picture of a political system at once stable and yet highly flexible. With a wealth of detail he discusses changes in the party system, the policy priorities of the ruling Liberal Democratic party, and the role of party leaders in making public policy. The central idea is that of the political system's adaptability and especially the adaptability of the LDP. In 1955 the LDP was little more than a loose coalition of factions held together mainly by fear of the Socialists coming to power. Thirty years later the LDP is "a complex and differentiated organization whose whole had become greater than the sum of its factional parts."

IS KOREA THE NEXT JAPAN? By T.W. Kang. New York: Free Press, 1989, 196 pp. $19.95.

Born in Japan to Korean parents and currently general manager of the systems business of Intel Japan, Kang assesses the underlying factors of South Korea's economic success and relates these to Korea's relationship with both Japan and the United States. He argues that the United States is shortsighted in "going after Korea" on the trade problem and should instead position itself to play off Korea against Japan. He urges every U.S. corporation that has partnered with or purchased from Japanese firms to consider a similar arrangement with the Koreans in order to set up a "win-win synergistic arrangement" that makes the best of the U.S.-Korean-Japanese economic triangle.

IN OUR IMAGE: AMERICA'S EMPIRE IN THE PHILIPPINES. By Stanley Karnow. New York: Random House, 1989, 494 pp. $24.95.

This book has already been widely and justly acclaimed as the most comprehensive study yet to appear on U.S.-Philippine relations, as a good read, and as an absorbing history of the turbulent relationship between

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Washington and Manila since the United States was vaulted into the Philippines during the Spanish-American War. The conclusion is rather somber. Karnow quotes a World Bank study completed in summer 1988 which observes that there are more people living in poverty in the Philippines today than at any time in recent history. Even with an unusually high growth rate of six percent, the study concludes that the Philippines would return to its 1982 level only by 1992. The study cites a familiar litany: the government's neglect of rural areas, widespread tax evasion by the rich and a grossly inequitable land ownership pattern. Can Cory make it? Karnow ends by quoting Stephen Bosworth, former U.S. ambassador to Manila: "If 'making it' means turning the Philippines into a stable, prosperous, self-confident model of democracy in a developing country, the answer is clearly no. . . . If the question is whether her government can survive and she can continue to make gradual but important progress, then my answer is yes."

SOLDIERS AND STABILITY IN SOUTHEAST ASIA. Edited by J. Soedjati Djiwandono and Yong Mun Cheong. Singapore: Institute of Southeast Asian Studies, 1988, 349 pp. $32.00 (paper, $22.00).

This volume, part of a series sponsored by Singapore's Institute of Southeast Asian Studies, has separate chapters on the political role of the military country by country. There is an outstanding overview by Harold Crouch which divides the region into four categories: countries such as Indonesia and Burma where the military is clearly dominant; Thailand and the Philippines where the military is a major but not controlling political force; Singapore, Malaysia and Brunei where military influence is limited to security issues; and the communist regimes of Indochina where the military is controlled by the communist party. Crouch argues that the crucial factor in economic development is not the extent to which the military plays a role in government but the degree of political stability which may or may not be enhanced by military participation in government.

THE EAGLE AND THE RISING SUN: AMERICA AND JAPAN IN THE TWENTIETH CENTURY. By John K. Emmerson and Harrison M. Holland. Reading (Mass.): Addison-Wesley, 1989, 199 pp. $8.95 (paper).

This book by two former career diplomats with extensive experience in Japan is clearly written, comprehensive in its scope, and probably the best available short introduction to the bilateral U.S.-Japanese relationship. There are solid chapters on the early contacts, the trade problem, the defense relationship, Japan's investments in the United States and Japan's foreign policy.

A HISTORY OF THE CHINESE COMMUNIST PARTY. By Stephen Uhalley, Jr. Stanford: Hoover Press, 1988, 340 pp. $17.95 (paper).

A respected professor of history at the University of Hawaii, Stephen Uhalley has written a very broad, sound and compact overview of the Chinese Communist Party from its inception to its latest decade-old efforts to reform China's economic and political system. While noting that the reforms have brought many successes as well as problems, Uhalley concludes on a cautious note about the prospects for further reform.

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DAUGHTER OF DESTINY. By Benazir Bhutto. New York: Simon and Schuster, 1989, 411 pp. $21.95

In this carefully written autobiography, Benazir Bhutto recounts the events that propelled her into becoming one of the world's youngest, and the first female, leader of a Muslim nation—Pakistan. She weaves a gripping and fascinating story of her life as the privileged daughter of former Prime Minister Zulfikar Ali Bhutto; of her political education at Radcliffe and Oxford (the first female in her family to study abroad); and, after a coup orchestrated by General Zia ul-Haq overthrew her father's government and resulted in his execution, of the many years she spent imprisoned, tortured and fighting Zia's corrupt regime. As a historical account, however, the book is marred by Ms. Bhutto's white-washed presentation and selective account of her father's political career; for example, the fact that his government, as well as Zia's, was regularly accused of gross human rights violations by Amnesty International is never mentioned. Such omissions are unfortunate since they detract from the more important story she has to tell.

Patricia Dorff

## *Africa*

*Jennifer Seymour Whitaker*

UPROOTING POVERTY: THE SOUTH AFRICAN CHALLENGE. By Francis Wilson and Mamphela Ramphele. New York: Norton, 1989, 380 pp. $27.50.

This important book painstakingly documents the meager and uncertain economic condition of most South African blacks as a starting point for thinking about how to achieve a more equal distribution of opportunity—now and in the period after apartheid. Significant in its insistence on preparing today for economic and political institutions in a majority-ruled South Africa, the study also has implications reaching beyond the borders of the republic, in its incisive analysis of the links between institutionalized inequality and persistent poverty.

CAN SOUTH AFRICA SURVIVE?: FIVE MINUTES TO MIDNIGHT. Edited by John D. Brewer. New York: St. Martin's, 1989, 350 pp. $49.95.

This volume offers a reprise on R.W. Johnson's notable 1977 study, *How Can South Africa Survive?*, which argued that South Africa's clock would remain locked at five minutes to midnight for some time to come; ten years later, the experts weighing in here would set the hands at four minutes and some-odd seconds. While not predicting the imminent demise of apartheid, collectively they do an excellent job of pinpointing the important changes since Johnson: most importantly, the chinks that have appeared in Afrikanerdom and the growth of institutions supporting black protest. In the last decade, South Africa's internal balance has shifted discernibly, for while white repressive power has increased, government reforms have failed and at the same time created opportunities for black politics.

A FUTURE SOUTH AFRICA: VISIONS, STRATEGIES AND REALITIES. Edited by Peter L. Berger and Bobby Godsell. Boulder (Colo.): Westview Press, 1989, 344 pp. $29.50 (paper, $16.85).

An American sociologist and the industrial relations director of the Anglo-American Corporation assemble an articulate group of mostly white

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"moderates" to argue the plausibility of nonviolent evolution toward a democratic future in South Africa. Longer on theory than facts and trends, they make a credible case for a democratic socialist option (particularly in the chapter by Pieter Le Roux). Nonetheless, their strategy has a fundamental problem: the only existing black group that fits into their near-term scenarios is the largely tribal Inkatha movement of Chief Gatsha Buthelezi.

SOUTH AFRICA INC.: THE OPPENHEIMER EMPIRE. By David Pallister, Sarah Stewart and Ian Lepper. New Haven: Yale University Press, 1988, 382 pp. $25.00.

This breathless fact-filled account makes it clear: the Oppenheimers are everywhere! Not only does their corporation, Anglo-American, control the same portion of the South African economy as the government does (roughly 25 percent), but it is also the largest foreign investor in the United States. The machinations, combinations and transmutations recounted herein boggle the mind, but through them all the authors steadily build their underlying argument—showing that the Oppenheimers' liberal opposition to government policy is firmly grounded in a stalwart defense of the status quo.

SOPHIATOWN: COMING OF AGE IN SOUTH AFRICA. By Don Mattera. Boston: Beacon Press, 1989, 151 pp. $15.95.
SOWETO, MY LOVE. By Molapetene Collins Ramusi. New York: Henry Holt, 1989, 262 pp. $22.95.

Two black South Africans tell their stories and evoke places and eras long gone and now rich with the patina of recollection. Mattera's impressionistic picture of his life as an orphan and then a gangster in Sophiatown recalls the exuberant, teeming chaos of an early black township that grew, disorderly and individualistic, on the site of a white farm next to Johannesburg, until apartheid's bulldozers leveled it in 1962. Ramusi's is an extraordinary Horatio Alger tale, wherein a country boy from a penniless family endured years of humiliation toiling for abusive white employers but made his way to America for a degree in anthropology and then became a lawyer in South Africa. Unlike Alger's heroes though, Ramusi's success is ambiguous, confusing and ultimately bitter, as he becomes an employee of the white government while continuing to oppose apartheid, subsequently flees to the United States for eight years, and finally loses his son to police brutality. A contemporary of Nelson Mandela, and like the ANC leader a member of the early "black bourgeoisie," Ramusi's story tells us clearly why government cooptation of blacks won't work.

AND STILL THEY DANCE: WOMEN, WAR, AND THE STRUGGLE FOR CHANGE IN MOZAMBIQUE. By Stephanie Urdang. New York: Monthly Review Press, 1989, 256 pp. $28.00 (paper, $12.00).

This vividly written book tells the story of Mozambique's women in terms both of their struggle to emerge from traditional subordination and their suffering during their country's bloody civil conflict. The author's apparent original intent—to assess the effect of Mozambique's revolution on women—became moot in the face of national turmoil which posed a threat to the survival of men and women alike. What emerges from her research in the war-torn country is illuminating, both in painting a harshly realistic picture of the suffering countryside which few travellers dare

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nowadays to penetrate and in illustrating the simultaneity of tradition and change for Africa's women.

THE STAR RAFT: CHINA'S ENCOUNTER WITH AFRICA. By Philip Snow. New York: Weidenfeld & Nicolson, 1988, 250 pp. $19.95.

At the outset this history of Sino-African connections appears to exaggerate the importance of anti-Western bonds between two highly unlikely Third World cultures. As it moves forward, however, the account accurately and richly represents what is for both China and Africa a pretty marginal relationship, through a wealth of painstakingly researched new detail. Mixing mutual fascination and incomprehension, the Chinese-African encounter has the charm of an occasional and gentle minuet.

PSYCHOSES OF POWER: AFRICAN PERSONAL DICTATORSHIPS. By Samuel Decalo. Boulder (Colo.): Westview Press, 1989, 222 pp. $29.95.

Ranging from the extremes of megalomania to out-and-out madness, Africa's three bloodiest dictators indelibly shaped outside views of the continent and left their countries a legacy of violence that shows no signs of abating. Idi Amin of Uganda, Macias Nguema of Equatorial Guinea and Bedel Bokassa of the Central African Republic were each catapulted to power during a hasty and ill-considered colonial withdrawal and each compensated for personal insufficiencies with the unbridled use of force. Explaining their idiosyncratic behavior vividly, the author carefully distinguishes their pathological tyranny from the quite rational authoritarianism of many of their fellow African leaders.

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# SOURCE MATERIAL

*Edited by Janis A. Kreslins*

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